

**BYLAWS OF
STONEBRIDGE CROSSING CONDOMINIUM
ASSOCIATION
ARTICLE I**

Introductory Provisions

- 1.1 Applicability. These Bylaws provide for the governance of the Association pursuant to the requirements of Section 3306 of the Act with respect to the Condominium created by the recording of the Declaration in the Office of the Recorder of Deeds of York County, Pennsylvania.
- 1.2 Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.
- 1.3 Compliance. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.
- 1.4 Office. The office of the Condominium, the Association, and the Executive Committee shall be located at the Property or at such other place as may be designated from time to time by the Executive Committee.

ARTICLE II

The Association

- 2.1 Composition. The Association is hereby organized on the date of hereof as an unincorporated association. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these Bylaws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Committee as more particularly set forth in these Bylaws.
- 2.2 Annual Meetings. The annual meetings of the Association shall be held on the third Thursday of September of each year unless such date

shall occur on a holiday, in which event the meetings shall be held on the succeeding Monday. At such annual meetings the members of the Executive Committee shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.3 of these Bylaws (subject to the provisions of Section 11 of the Declaration) and such other business as may properly come before the meeting may be transacted.

- 2.3 Place of Meetings. Meetings of the Association shall be held at the principle office of the Association or such other suitable place convenient to the Unit Owners as may be designated by the Executive Committee.
- 2.4 Special Meetings. The President shall call a special meeting of the Association if so directed by resolution of the Executive Committee or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least 25% of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meetings shall be held within 45 days after receipt of by the President of said resolution or petition; provided, however, if the purpose include the consideration or the rejection of a budget or capital expenditure pursuant to Section 5.8 below, such meeting shall be held within 15 days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.
- 2.5 Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regular-scheduled meeting of the Association at least twenty but not more than sixty days, and of each special meeting of the Unit Owners at least ten but not more than forty-five days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 8.1 of these Bylaws shall be considered service of notice.
- 2.6 Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.
- 2.7 Voting. The number of votes which each Unit Owner is entitled to cast shall be the Percentage Interest assigned to his Unit in the Declaration multiplied times one thousand (1000). Where the ownership of a Unit is in more than one Person, the Person who shall

be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners cast the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Committee and except where a greater number is required by the Act, the Declaration or these Bylaws, the owners of more than fifty percent of the aggregate Percentage Interests in the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. Any specified percentage of the Unit Owners means the Unit Owner owning such percentage Interests in the aggregate. In all elections for Executive Committee members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Committee members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. Except as set forth in Section 11 of the Declaration, if the Declarant owns any Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. Not votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

2.8 Proxies. A vote may be cast in person or by proxy. If a Unit is owned by more than one Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through

a duly executed proxy. Such proxy may be granted by any Unit Owner only in favor of another Unit Owner, a holder of a mortgage on a Unit or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.9 Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of twenty percent or more or the aggregate percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if Unit Owners of ten percent or more of the aggregate percentage Interests are present in person or by proxy at the beginning of the meeting.

2.10 Conduct of Meetings. The President (or in his absence, one of the Vice-Presidents) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Roberts's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

ARTICLE III

Executive Committee

3.1 Number and Qualification. The affairs of the Association shall be governed by an Executive Committee. The Executive Committee shall be composed of that number of natural persons, as specified in Section 11 of the Declaration, all of whom shall be Unit Owners or designees of the Declarant.

3.2 Delegation of Powers; Managing Agent. The Executive Committee may employ for the Condominium a "Managing Agent" at a compensation

established by the Executive Committee. The Managing Agent shall perform such duties and services as the Executive Committee shall authorize, including, but not limited to, all of the duties listed in the Act, the Declarations and these Bylaws; provided however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Committee. The Executive Committee may delegate to the Managing Agent all of the Declaration and these Bylaws other than the following powers:

- a. To adopt the annual budget and any amendment thereto or to assess any Common Expensed;
- b. To adopt, repeal or amend Rules and Regulation;
- c. To designate signatories on Association bank accounts;
- d. To borrow money on behalf of the Association;
- e. To acquire and mortgage Units;
- f. To allocate Limited Common Element.

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty days' written notice and without cause on no more than ninety day's written notice. The term of any such contract may not exceed one year.

3.3 Election and Term of Office. At the annual meetings of the Association, subject to Section 11 of the Declaration, the election of members of the Executive Committee shall be held. The term of office of any Executive Committee member to be elected (except as set forth in Section 3.5 hereof) shall be fixed at three years. The members of the Executive Committee shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetence, removal, or resignation. An Executive Committee member may serve an unlimited number of terms and may succeed himself.

3.4 Removal of Resignation of Members of the Executive Committee.

Except with members designated by Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Committee may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit Owners proposing removal of a Committee member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given an opportunity to be heard at the meeting. A member of the

Executive Committee may resign at any time and shall be deemed to have resigned upon transfers of title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified in Section 11 of the Declaration.

3.5 Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by Declarant, vacancies in the Executive Committee caused by any reason other than the removal of a member by a vote of the Unit Owners shall be filled by a vote of a majority to the remaining members at a special meeting of the Executive Committee held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Committee for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.6 Organization Meeting. The first meeting of the Executive Committee following each annual meeting of the Association shall be held within ten days thereafter at such time a place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Committee shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Committee in order legally to constitute such meeting, if a majority of the Executive Committee members shall be present at such meeting.

3.7 Regular Meetings. Regular meetings of the Executive Committee may be held at such time and place as shall be determined from time to time by a majority of the members, but such meetings shall be held at least once every four months during each fiscal year. Notice of regular meetings of the Executive Committee shall be given to each member, by mail or telegraph, at least three business days prior to the day named for such meetings.

3.8 Special Meetings. Special meetings of the Executive Committee may be called by the President on at least three business day's notice to each member, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Committee shall be called by the President or Secretary in like manner

and on like notice on the written request of at least two members of the Executive Committee.

3.9 Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Committee, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Committee shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Committee, no notice shall be required and any business may be transacted at such meeting.

3.10 Quorum of the Executive Committee. At all meetings of the Executive Committee a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Committee. If at any meeting of the Executive Committee there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Committee may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

3.11 Compensation No member of the Executive Committee shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Executive Committee and the Secretary shall keep a minute book of the Executive Committee meetings, recording therein all resolutions adopted by the Executive Committee and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Committee if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

3.13 Action Without Meeting. Any action by the Executive Committee required or permitted to be taken at any meeting may be taken without at any meeting may be taken without a meeting if all of the members of the Executive Committee shall individually or collectively consent in writing to such action. Any such written consent shall be filed with

the minutes of the proceedings of the Executive Committee.

3.14 Validity of contracts with Interested Executive Committee Members.

No contract or other transaction between the Association and one or more of its Executive Committee members or between the Association and any corporation, firm or association in which one or more of the Executive Committee members are directors or officers, or are financially interested, shall be void or voidable because such Executive Committee member or members are present at any meeting of the Executive Committee which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists;

- (a) The fact that an Executive Committee members is also such a director of officer or has such financial interest is disclosed or known to the Executive Committee and is noted in the minutes thereof, and the Executive Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Committee member or members; or
- (b) The Contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

3.15 Inclusion of Interested Executive Committee Members in the Quorum.

Any Executive Committee member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Committee or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

ARTICLE IV

Officers

- 4.1 Designation.** The principal officers of the Association shall be the President, the Vice president, the Secretary and the Treasurer, all of whom shall be elected by the Executive Committee. The Executive Committee may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Committee. Any other officers may, but need not, be Unit Owners or

members of the Executive Committee. An officer other than the President may hold more than one office.

4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Committee at the organization meeting of each new Executive Committee and shall hold office at the pleasure of the Executive Committee.

4.3 Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Committee, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Committee called for such a purpose.

4.4 President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Committee and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit Owners from time to time as the president may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding such office at such as he ceases to be a member of the Executive Committee.

4.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Committee shall appoint some other member of the Executive Committee to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Committee or by the President. The Vice President shall cease holding such office at such time as he ceases to be a member of the Executive Committee.

4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Committee, have charge of such books and papers as the Executive Committee may direct, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgages on any Units hereunder shall be delivered, and in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the

Association pursuant to Section 3315(g), 3407(a) and 3407(b) of the Act and Section 5.9 and 5.11 below.

- 4.7 Treasurer. The Treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be the responsible for the deposit of all monies in the Managing Agent, in such depositories as may from time to time be designated by the Executive Committee and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.
- 4.8 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$5,000 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000 or less may be executed by any one officer of the Association.
- 4.9 Compensation of Officers. No officer who is also a member of the Executive board shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE V

Common Expenses; Budgets

- 5.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Committee; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.
- 5.2 Preparation and Approval of Budget.
- 5.2.1 On or before the first day of November of each fiscal year (or sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Committee shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common elements and those parts of the Units as to which it is the

responsibility of the Executive Committee to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common expenses by the Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Committee considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

- 5.2.2 On or before the next succeeding fifth day of November (or fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Committee shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owners' assessment for common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.
- 5.2.3 Within thirty days after the creation of Units on any Convertible Real Estate, the Executive Committee shall revise the budget to reflect changes in Common Expenses resulting from such addition or conversion and to reflect the proportionate liability of all Units for Common Expenses for the remainder the fiscal year in which such events occur. The amount of assessments attributable to each Unit thereafter shall be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Executive Committee.
- 5.2.4 The Executive Committee shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

5.3 Assessment and Payment of Common Expenses.

- 5.3.1 Common Expenses. The Executive Committee shall calculate the monthly assessments for Common Expenses against each Unit by the monthly assessments for Common Expenses against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Committee for the fiscal year in question, after deducting

any income expected to be received by (b) the Percentage Interest allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month and shall be lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety days after the end of each fiscal year, the Executive Committee shall prepare and deliver to each Unit Owner and to each record holder of mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Executive Committee may determine, shall be assessed promptly against the Unit Owners in accordance with their percentage Interests and shall be payable in one or more monthly assessments, as the Executive Committee may determine.

5.3.2 Reserves. The Executive Committee shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements as it shall deem reasonable and prudent. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Committee may at any time levy further assessments for Common Expense which shall be assessed against the Unit Owners according to their respective percentage Interests and shall be payable in one or more monthly assessments as the Executive Committee may determine.

5.4 Further Assessments. The Executive Committee shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.31 or 5.3.2 or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefore, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the

- preceding Section 5.3.1,
- 5.5 Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Committee shall adopt the budget, as described in this Article, for the period commencing on the date of the Executive Committee determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 5.3 above.
- 5.6 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Committee to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.
- 5.7 Accounts; Audits. All sums collected by the Executive Committee with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Committee.
- 5.8 Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Committee with thirty days after approval by the Executive Committee. The power of the Executive Committee to expend funds, incur expenses or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of the Bylaws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregated amount of all expenses in the budget (including reserves) to be exceeded by more than 5% of such aggregate amount.

5.9 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Committee pursuant to the provides for the Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time as such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefore; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request there fore to the Executive Committee or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and, provided further that, subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a prop rate reallocation of such assessments or charges to all Units including the mortgaged Unit.

5.10 Collection of Assessments. The Executive Committee or the Managing Agent, at the request of the Executive Committee, shall take prompt action to collect any assessment for Common Expenses due from any Unit Owner which remain unpaid for more that thirty days from the due date for payment thereof. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of 5% of the overdue assessment in addition to interest at the rate of 15% per annum or such other rate as may be determined by the Executive Committee.

5.11 Statement of Common Expenses. The Executive Committee shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement

of all unpaid assessments for Common Expenses due from such Unit Owner. The Executive Committee may impose a reasonable charge for the preparation, to the extent permitted by the Act.

ARTICLE VI

Compliance and Default

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

- a. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Committee. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.
- b. Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.
- c. No Waiver of Rights. The failure of the Association, the Executive Committee or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Committee Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Committee or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies privileges granted to the Association, the Executive Committee or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more

thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Act or at law or in equity.

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

ARTICLE VII

Amendments

- 7.1 Amendments to Bylaws. These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the Association, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Executive Committee members voluntarily resign or are required to resign pursuant to Section 11 of the Declaration, Section 3.1 and this Section 7.1 may not be amended without the consent in writing of Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Committee to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time the Executive Committee may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of

- any liens on all or any part of the Property, upon receipt by the Executive Committee of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.
- 7.2 Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these Bylaws are to be construed as covenants for the protection of such holders on which may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.
- 7.3 Amendments to the Declaration. Any two officers or Executive committee members of the Association may prepare, execute, certify a record amendments to the Declaration on behalf of the Association.

ARTICLE VIII

Miscellaneous

- 8.1 Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepare (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such Owner, or (ii) if to the Association, the Executive committee or to the Managing Agent, at the principal office thereof or at such other address as shall be designated by notice in writing by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.
- 8.2 Captions The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.
- 8.3 Gender. The use of masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vise versa, whenever the

context so requires.

8.4 Indemnification. Each member of the Executive Committee, in his or her capacity as an Executive Committee member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon him or her in connection with any proceeding in which he or she may become involved by reason of his or her being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he or she is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases therein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his or her duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Committee (with the affected member abstaining if he or she is then an Executive Committee member) approves such settlement and reimbursement as being in the best interest of the Association; and provided, further, that indemnification hereunder with respect to any criminal action or proceeding is permitted only of such Executive Committee member and/or officer had no reasonable cause to believe his or her conduct was unlawful. The indemnification by the Unit Owners set forth in this S8.4 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.