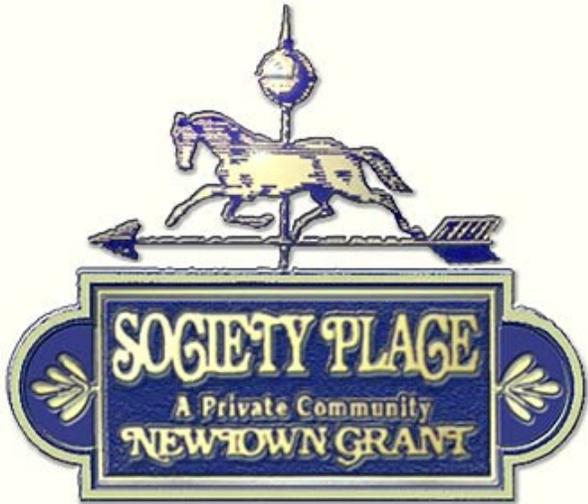


THESE DOCUMENTS ARE NOT TO BE USED FOR RESALE PURPOSES AND/OR TRANSFER OF TITLE AND DEED.



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These Documents are not to be used for resale purposes and/or transfer of Title and Deed.

BYLAWS

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NEWTOWN GRANT CONDOMINIUM NO. 1 ASSOCIATION

SOCIETY PLACE

ARTICLE I

Introductory Provisions

1.1. Applicability. These Bylaws provide for the governance of the condominium Association pursuant to the requirements of Section 3306 of the Pennsylvania Uniform Condominium Act (the "Act") with respect to the Condominium created by the recording of the Declaration with regard to the Condominium among the land records of Bucks County in Deed Book Vol. ____ at Page ____.

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 Condominium Association, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE .II

The Association

1.1. Applicability. 2.1. Composition. The Association is hereby organized on the date hereof as an unincorporated association. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act pursuant to the Declaration and these Bylaws. A person shall automatically become a member of the Association when he acquires legal title to a Unit. A Unit Owner cannot resign from membership or transfer membership except appurtenant to transfer of title to his Unit. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member until satisfactory evidence of the recording of the instrument transferring title is presented to the Secretary. The Association is given the responsibility of administering the Condominium, establishing the means and methods of collecting Condominium Common Expense 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. It is expected that most of the foregoing responsibilities shall be performed on behalf of the Executive Board by the Homeowners' Association existing for the benefit of the entire Community as more particularly set forth in the Declaration and these Bylaws.

2.2. Annual Meetings. The annual meetings of the Association shall be held on the second Monday of September of each year unless such date shall occur on a legal or religious holiday, in which event the meeting shall be held on the succeeding day. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.3 of these Bylaws (subject to Article 17 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 principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

2.4. Special Meetings.

- The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the President 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 meeting shall be held within 45 days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of 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.
- Within sixty days after conveyance of 105 of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which two of the five members of the Executive Board designated by the Declarant shall resign (such members to be selected by the Declarant), and the Unit Owners, excluding

the Declarant as a Unit Owner, shall thereupon elect successor members of the Executive Board to act in the place and stead of the members resigning. Such successor member(s) shall serve until the second annual meeting of the Association following the meeting at which they were elected.

- Within sixty days immediately preceding the date by which all Declarant appointed members of the Executive Board must resign pursuant to Article 17 of the Declaration, a special meeting of the Association shall be held at which all of the remaining members of the Executive Board designated by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The successor members shall serve until the next annual meeting of the Association at which the successors to the members elected pursuant to subparagraph b above are to be elected.
- Notwithstanding the foregoing, if any meeting required pursuant to subparagraphs b and c above could be held on the date an annual meeting of the Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

2.5. Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regularly-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. Voting at all meetings of the Association shall be on the basis of one (1) vote per Unit. Where the ownership of a Unit is in more than one Person or in other than a natural Person, the natural 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 case of multiple ownership and 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 casts the vote 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 Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the owners of Units holding more than fifty percent of the aggregate votes in the Association 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. In all elections for Executive Board members, each Unit Owner shall be entitled to cast one (1) vote for each vacancy to be filled at such election. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board 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 2.4b, if the Declarant owns or holds title to one or more 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. No 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 a vote by the other Owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner,

Participating Mortgagee 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 or void, in addition to situations set forth in the Act and in Section 2.1 above, only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy, or when the presiding officer receives written notice of the death or judicially declared incompetence of a grantor of such proxy. No proxy shall be valid for a period in excess of eleven months 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 entitled to cast 50% of the votes in the Association at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at any meeting subsequent to an adjournment shall be deemed present throughout any such meeting of the Association if persons entitled to cast 25% of the votes in the Association are present in person or by proxy at the beginning of the meeting.

2.10. Conduct of Meetings. The President (or in his absence, a vice-president) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting 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 Robert'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.

2.11. Voting in the Homeowners' Association. The President (or the Vice-President, in the absence of the President) shall act as the Association Delegate to the Homeowners' Association in which all votes of Unit Owners in the Homeowners' Association will be cast by such Delegate in one block at his or her discretion; provided, however, if (i) the vote of the Unit Owners is required pursuant to the Act, the Declaration or these Bylaws with regard to matters affecting the Condominium being voted upon or, (ii) the vote of the Unit Owners is obtained even if not required to be obtained, then, in either of such events, the Delegate shall cast the votes of the Unit Owners in the Homeowners' Association as they were cast by the individual Unit Owners and not in one block.

ARTICLE .III

Executive Board

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of five natural Persons, all of whom shall be at least 18 years of age and Unit Owners or designees of the Declarant.

3.2. Delegation of Powers. Most of the powers and duties of the Executive Board may be delegated to the Board of Directors of the Homeowners' Association as set forth in the Declaration. Otherwise, the Executive Board may employ for the Condominium a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties delegated to the Executive Board and listed in the Act, the Declaration and these Bylaws; provided, however, where the 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 Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Declaration, the Master Declaration, the Master By-Laws and these Bylaws.

3.3. Election and Term of Office.

- At the annual meetings of the Association, the term of office of any Executive Board member to be elected (except as set forth in Sections 2.4b and c and 3.5 hereof) shall be fixed at two years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.
- Persons qualified to be members of the Executive Board may be nominated for election as follows:
 - (1) Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by at least ten Unit Owners, a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and
 - {2} Nominations may be submitted from the floor at the meeting at which the election is held.

3.4. Removal or Resignation of Members of the Executive Board. Except with respect to 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 Board 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 Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten days' notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by the Declarant at any time and from time to time until the required resignation date specified in Article 17 of the Declaration.

3.5. Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by the Declarant, vacancies in the Executive Board 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 of the remaining members at a special meeting of the Executive Board 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 Board until a successor shall be elected at the next annual meeting of the Association to serve the balance of the term of the vacancy. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

3.7. Regular Meetings. Regular meetings of the Executive Board 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 during each year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least three business days, prior to the day named for such meeting.

3.8. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' 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 Board shall be called by the President or Secretary in like manner and on like notice on the written request of any member of the Executive Board.

3.9. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board 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 Board, no notice shall be required and any business may be transacted at such meeting.

3.10. Quorum of the Executive Board. At all meetings of the Executive Board 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 Board. If at any meeting of the Executive Board there shall be less than a quorum present, any member 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. Each member of the Executive Board shall be entitled to cast one vote. One or more members of the Executive Board 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 Board 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 Board and the Secretary shall keep a minute book of the Executive Board, recording therein all resolutions adopted by the Executive Board 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 Board when not in conflict with the Declaration, these Bylaws or the Act. Unit Owners who are not Board members shall have no right to attend Executive Board meetings unless the Board decides otherwise; provided, however, all Unit Owners may attend and be heard,

but may not vote (except as a Board member) at the meeting at which the budget shall be reviewed by the Board for adoption. The Secretary shall give Unit Owners notice of such meeting.

3.13. Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Executive Board 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 Board.

3.14. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation firm, or association in which one or more of the Executive Board members of the Association are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board or a committee thereof 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 Board member is also without counting the vote or votes of such Executive Board 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 Board Members in the Quorum. Any Executive Board 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 Board or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.14 hereof.

These Documents are not to be used for resale purposes and/or transfer of Title and Deed.

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 Board. The Executive Board 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 Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. 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 Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for such 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 Board; and have all of the general powers and duties which are incident to the office of president of a stock 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 time as he ceases to be a member of the Executive Board.

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 Board shall appoint some other member of the Executive Board 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 imposed upon him by the Executive Board 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 Board.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board; have charge of such books and papers as the Executive Board 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 stock 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 Sections 3315(g), 3407(a) and 3407(b) of the Act and Section 5.11 below.

4.7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall 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 responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board; and, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the laws of Pennsylvania.

4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association (as distinguished from the Homeowner's 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 Board; provided, however, that the first fiscal year may begin anytime and end at the end of the calendar year.

5.2. Preparation and Approval of Budget.

- 5.2.1 The Homeowners' Association will prepare a proposed budget for the Condominium to be reviewed by the Executive Board and used as a guide. Homeowners' Association Cluster Annual Assessments and Homeowners' Association Special Cluster Assessments shall be Common Expenses of the Condominium. The Executive Board shall formally adopt a budget and make Assessments of Common Expenses. Common Expenses arising from non-delegated powers and duties of the Executive Board shall be communicated to the Homeowners' Association for inclusion in the proposed budget. In order to aid the Homeowners' Association in enforcement and collection of any type of Homeowners' Association Assessments against the Condominium or its Unit Owners, such Assessments shall be deemed to be assessments of Common Expenses by the Executive Board. It is contemplated that pursuant to delegation of authority by the Executive Board the Homeowners' Association will collect all Common Expense assessments, disburse all payments of Common Expense and otherwise handle all fiscal affairs for and on behalf of the Condominium.

- 5.2.2 Sixty days before the beginning of the fiscal year, the Executive Board shall adopt the annual budget for the Condominium as determined by the Homeowners' Association and shall use reasonable efforts to assure that such budget shall contain 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 Board 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 of the Condominium by the Act, the Declaration, these Bylaws, a resolution of the Association or arising pursuant to the Master Declaration and Master By-Laws of the Homeowners' Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Master Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements with regard to the Condominium.

- 5.2.3 At least fifty days before the beginning of the fiscal year, the Master Board shall make the budget available for inspection at the Homeowners' Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owners' assessment for the 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 S.8 below.

- 5.2.4 Within thirty days after the creation of Units on any Convertible Real Estate, the Executive Board shall revise the budget to reflect changes in Common Expenses resulting from such conversion and to reflect the proportionate liability of all Units for Common Expenses for the remainder of 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 Board.

- 5.2.5 The Executive Board shall make reasonable efforts to see that the deadlines set forth above are met, but such deadlines shall not be conditions precedent to the effectiveness of any budget.

- 5.2.6 The procedures outlined above shall be modified to the extent reasonably required to coordinate the budget process with the Homeowners' Association.

5.3. Assessment and Payment of Common Expenses.

- 5.3.1 Common Expenses All 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 a lien against each Unit Owner's Unit as provided in the Act, the Declaration and the Master Declaration. Within ninety days after the end of each fiscal year, the Executive Board shall cause to be prepared and delivered to each Unit Owner and to each Participating Mortgagee 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 reserves as the Executive Board 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 Board may determine. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements with regard to the Condominium. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year their Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1, 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 Sections 3.3.1 and 5.3.2.

5.5. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board elected or designated pursuant to these Bylaws shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and end on the last day of the fiscal year in which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as provided in Section 5.3 above.

5.6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board 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 pursuant to Section 8 of Article VI of the Master By-Laws until the new annual or adjusted budget shall have been adopted.

5.7. Accounts; Audits. All sums collected by the Executive Board 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 or on behalf of the Executive Board.

5.8. Rejection of Budget. Anything herein to the contrary notwithstanding, the Association, by vote of two-thirds of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board with regard to the Condominium within thirty days after approval by the Executive Board.

5.9. Payment of Common Expenses. 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 a 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 of 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 therefore to the Executive Board, Master Board or Its 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 Lender 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 or purchaser comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

5.10. Collection of Assessments. The Executive Board may take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than sixty days from the due date for payment thereof. Any assessment not paid when due shall accrue a late charge and/or interest as may be determined by the Executive Board.

5.11. Statement of Common Expenses. The Executive Board shall promptly cause to be provided to any Unit Owner, contract purchaser or proposed Participating 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 Board may cause to be imposed a reasonable charge for the preparation of such statement to cover the cost of 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 Board or the Master Board or through the Managing Agent, to the following relief:

- Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any members of his family or his

employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance rates 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.

- **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.
- **No Waiver of Rights.** The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board 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.
- **Abating and Enjoining Violations by Unit Owners.** The violation of any of the Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Board the delegable right, in addition to any other rights 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. Subject to the requirements set forth in Section 9.2 of the Declaration, 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, if any amendment would have a material effect upon any of the rights, privileges, powers and options of the Declarant, such amendment shall require the written approval of the Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board 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 then current requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration or the Federal Housing Administration with respect to condominium projects, then at any time and from time to time the Executive Board 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 Condominium Property.

7.2. Approval of Participating Mortgagees. The Declaration and these Bylaws contain provisions concerning various rights and interests of Participating Mortgagees. Such provisions are to be construed as covenants for the protection of such Participating Mortgagees on which they may rely in making loans secured by mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights,

priorities, remedies or Interests of such Participating Mortgagees shall be adopted without the approval of 67% of such Participating Mortgagees.

7.3. Amendments to the Declaration. Any two officers or Executive Board members may prepare, execute, certify and 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 prepaid (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 address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board, the Master Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned 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 delimit or describe the scope of these Bylaws or the intent of any provision thereof.

8.3. Gender. The use of the 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 vice versa, whenever the context so requires.

8.4. Enforcement. In addition to enforcement permitted by the Executive Board and others, the Board of Directors of the Homeowners' Association shall have the power, at its sole option, to enforce the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated pursuant hereto, by any or all lawful means available to the Executive Board.

These Documents are not to be used for resale purposes and/or transfer of Title and Deed.

■ THESE DOCUMENTS ARE NOT TO BE USED FOR RESALE PURPOSES AND/OR TRANSFER OF TITLE AND DEED.

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