

**KINGSBURY CONDOMINIUM ASSOCIATION**

**THIRD AMENDMENT  
AND RESTATEMENT OF BYLAWS**

# TABLE OF CONTENTS

SECTION	TITLE	PAGE
<b>ARTICLE I</b>	<b>INTRODUCTORY PROVISIONS</b>	<b>1</b>
1.1	Name	1
1.2	Address	1
1.3	Applicability	1
1.4	Interpretation	1
1.5	Definitions	1
1.6	Compliance	1
<b>ARTICLE II</b>	<b>THE ASSOCIATION</b>	<b>2</b>
2.1	Composition	2
2.2	Association Duties	2
2.3	Annual Meetings	2
2.4	Place of Meetings	2
2.5	Special Meetings	2
2.6	Adjournment of Meetings	2
2.7	Voting	2
2.8	Conduct of Meetings	2
<b>ARTICLE III</b>	<b>EXECUTIVE BOARD</b>	<b>3</b>
3.1	Number and Qualification	3
3.2	Delegation of Powers; Managing Agent	3
3.3	Election and Term of Office	4
3.4	Nominations	4
3.5	Removal or Resignation of Members of the Executive Board	4
3.6	Vacancies	4
3.7	Organization Meeting	5
3.8	Regular Meetings	5
3.9	Special Meetings	5
3.10	Waiver of Notice	5
3.11	Quorum of the Executive Board	5
3.12	Compensation	6
3.13	Conduct of Meetings	6
3.14	Action Without Meeting	6
3.15	Validity of Contracts with Interested Executive Board Members	6
3.16	Inclusion of Interested Executive Board Members in the Quorum	6
<b>ARTICLE IV</b>	<b>OFFICERS</b>	<b>7</b>
4.1	Designation	7
4.2	Election of Officers	7

4.3	Removal of Officers .....	7
4.4	President .....	7
4.5	Vice President .....	7
4.6	Secretary .....	8
4.7	Treasurer .....	8
4.8	Execution of Documents .....	8
4.9	Compensation of Officers .....	8
<b>ARTICLE V COMMON EXPENSES; BUDGETS .....</b>		<b>8</b>
5.1	Fiscal Year .....	8
5.2	Preparation and Approval of Budget .....	8
5.3	Assessment and Payment of Common Expenses .....	9
	5.3.1 General Common Expenses .....	9
	5.3.2 Limited Expenses .....	10
	5.3.3 Reserves .....	11
5.4	Further Assessments .....	11
5.5	Effect of Failure to Prepare or Adopt Budget .....	11
5.5	Accounts; Audits .....	11
5.6	Rejection of Budget; Limitations on Expenditures and Borrowing .....	11
5.7	Payment of Common Expenses .....	12
5.8	Collection of Assessments .....	12
5.9	Statement of Common Expenses .....	12
<b>ARTICLE VI COMPLIANCE AND DEFAULT .....</b>		<b>13</b>
6.1	Relief .....	13
	(a) Additional Liability .....	13
	(b) Costs and Attorney's Fees .....	13
	(c) No Waiver of Rights .....	13
	(d) Abating and Enjoining Violations by Unit Owners .....	13
<b>ARTICLE VII AMENDMENTS .....</b>		<b>14</b>
7.1	Amendments to Bylaws .....	14
7.2	Approval of Mortgagees .....	14
7.3	Amendments to the Declaration .....	14
<b>ARTICLE VIII MISCELLANEOUS .....</b>		<b>14</b>
8.1	Notices .....	14
8.2	Captions .....	15
8.3	Gender .....	15

**KINGSBURY CONDOMINIUM ASSOCIATION**  
**THIRD AMENDMENT AND RESTATEMENT TO THE BYLAWS**

THIS THIRD AMENDMENT AND RESTATEMENT TO THE BYLAWS OF KINGSBURY CONDOMINIUM ASSOCIATION is made this 15th day of August, 1999 and replaces in its entirety the Bylaws which were dated February 5, 1982, as amended in the First Amendment to Bylaws dated May 1, 1984 and the Second Amendment to Bylaws dated May 21, 1987.

**ARTICLE I**  
**INTRODUCTORY PROVISIONS**

1.1 Name. The name of this Association shall be Kingsbury Condominium Association (the Association).

1.2 Address. The office of the Association shall be at the place to be designated by the Executive Board, subject to transfer upon notice to the members of the Association.

1.3 Applicability. These Bylaws shall be applicable to the Association as a whole and to all present and future owners and tenants, their guests, licensees, servants, agents, and employees and to any other person or persons permitted under Association rules and regulations to use the Association's common elements. In addition, they shall be subject to such rules and regulations as may be issued by the Executive Board of the Association from time to time to govern the conduct of its members. Ownership, rental or occupancy of any of the unit in the condominium shall constitute acceptance of and agreement to be bound by these Bylaws and such rules and regulations of the Association.

1.4 Interpretation. In the event of a conflict between the provisions of these Bylaws and the Declaration, the Declaration shall govern. In the event that the Internal Revenue Code ("IRC") or any other statute governing the Association, including but not limited to the Uniform Condominium Act (the "Act"), are hereafter amended or changed, both the Declaration and these Bylaws shall be interpreted in such a manner as conform to the provisions thereof. It is the specific intent hereof to preserve the lawful status of the Association as a bona fide nonprofit entity under the applicable provisions of the IRC.

1.5 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.

1.6 Compliance. Pursuant to the provisions of the Act, every Unit Owner and all persons entitled to occupy a Unit shall comply with these Bylaws and with the Rules and Regulations of the Association, duly promulgated from time to time.

## **ARTICLE II**

### **THE ASSOCIATION**

2.1 **Composition.** The Association shall consist of all of the Unit Owners acting as a group in accordance with these Bylaws.

2.2 **Association Duties.** The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges and arranging for the management of the Condominium. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent appointed by the Executive Board.

2.3 **Annual Meetings.** The annual meetings of the Association shall be held during the month of November of each year, on a date specified by the Executive Board. Notice thereof shall be sent to the Association members by the Secretary at least fourteen (14) days and no more than thirty (30) days prior to the meeting. At such annual meetings, the Executive Board shall be elected by ballot of the Unit Owners.

2.4 **Place of Meetings.** Meetings of the Association shall be held at a place convenient for the owners and designated from time to time by the Executive Board.

2.5 **Special Meetings.** Special meetings may be held if called by the President of the Association or by the Executive Board, or upon petition filed with the Secretary and signed by at least twenty-five percent (25%) (17 units) of the Unit Owners in the Association. The notice of any special meeting shall state the time, place and purpose of such meeting. Such meeting shall be held within thirty (30) days after receipt by the Secretary of the petition, subject to notice as specified in Section 2.3. If the issue to be considered at the special meeting concerns the budget or capital expenditures of the Association, the meeting shall be held within fifteen (15) days of receipt of this petition, subject to ten (10) days prior notice. No business shall be transacted at the special meeting except as stated in the notice.

2.6 **Adjournment of Meetings.** If at any meeting of the Association a quorum is not present, a vote of Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a date and time specified by the Unit Owners so voting, which shall be not less than five (5) business and not more than twenty (20) days from the date for which the original meeting was called.

2.7 **Voting.** Each Unit Owner is entitled to one vote which vote may be cast by proxy. When a Unit is owned by more than one person, they collectively shall be entitled to only one vote.

2.8 **Conduct of Meetings.** The President (or in his absence, the Vice President) shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meeting and record in the minute book all resolutions adopted at the

meeting as well as a record of all actions taken by the Association at the meeting. 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. All votes shall be counted by those appointed by the President.

### **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, at least three of whom shall be Unit Owners.

3.2 Delegation of Powers: Managing Agent.

(i) 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 listed in the Act, the Declaration 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 Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

- (a) to adopt the annual budget and any amendment thereto or to assess Common Expenses;
- (b) to adopt, repeal or amend Rules and Regulations;
- (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 designate Reserved Common Elements;
- (g) to allocate Limited Common Elements.
- (h) to contract with professionals, such as accountants, lawyers and others, and other providers of goods and services to provide necessary services to the Association.

(ii) Any contract with the Managing Agent must provide that such Managing Agent may be terminated for cause upon such notice as the Executive Board shall determine appropriate under the circumstances and without cause upon thirty days 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, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected shall be fixed at two (2) 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.

3.4 Nominations. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(a) 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 Unit Owners owning at least ten units in the aggregate, together with the statement that the person nominated is willing to serve on the Executive Board. The petition shall be accompanied by a biographical sketch of the nominee. The Secretary shall mail or hand-deliver the petition to every Unit Owner, together with the required Notice of the meeting; and

(b) nominations may be submitted by any Unit Owner from the floor at the meeting at which the election is held for each vacancy on the Executive Board.

3.5 Removal or Resignation of Members of the Executive Board.

(a) 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 by Unit Owners to fill the vacancy thus created. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any Executive Board 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.

(b) 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.

3.6 Vacancies. 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 of the Executive Board at a special meeting of the Executive Board held for the purpose of filling such vacancy 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 for the remainder of the term of the member so replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled following the 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.

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

3.8 Regular Meetings. Regular meetings of the Executive Board may be held on such date and at such time and place as shall be determined from time to time by the Executive Board, but such meetings shall be held at least once every four (4) months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member of the Association, by mail, telefax or over-night delivery service at least three business days prior to the date scheduled for such meeting.

3.9 Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days' notice to each Board member, given by mail, telefax or over-night delivery service, which notice shall state the date, 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 at least two members of the Executive Board.

3.10 Waiver of Notice. Any Executive Board member may, at any time, by written waiver waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Executive Board member of any meeting of the Executive Board shall constitute a waiver of notice by him of the date, 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 of the Association may be transacted at such meeting.

3.11 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, 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 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.

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

3.13 Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep the minutes of the Executive Board meetings, recording 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 if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

3.14 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 a majority of the members of the Executive Board shall individually or collectively consent, either verbally or in writing, to such action. Any such consent shall be filed with or noted on the minutes of the proceedings of the Executive Board. If such consent is verbal, each member voting shall forward a written consent to the Secretary within 72 hours.

3.15 Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and any corporation, firm, or association (excepting publically traded companies) in which one or more of the Executive Board members 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 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 such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by majority vote, provided such member having such interest shall not be entitled to vote; 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.

3.16 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 3.15 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 Board. The Executive Board may appoint an assistant treasurer and/or an assistant secretary in the absence of the Treasurer or Secretary. The President and Vice President shall be members of the Executive Board and Unit Owners. The Treasurer and Secretary need not be Unit Owners or members of the Executive Board, but shall be such responsible individuals having an interest in the Association as the Executive Board shall deem appropriate. Any 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 Board's re-organization meeting and shall hold office at the pleasure of the Executive Board and until their successors are duly appointed.

4.3 **Removal of Officers.** Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed without prior notice, either with or without cause, and a successor may be elected at any regular meeting of the Executive Board or at a special meeting called for such purpose, pursuant to notice as provided in these By-laws.

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 shall have all of the general powers and duties which are incident to the office of President of a nonprofit 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 delegated or assigned to 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 of the Association, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgages on any Units shall be delivered and, in general, perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide to or cause to be provided to a Unit Owner or any other person entitled thereto by the Act 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.

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 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 nonprofit 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 \$1,000.00 or more shall be executed by the President and one other officers of the Association. All such instruments for expenditures or obligations of less than \$1,000.00 may be executed by either the President or the Treasurer 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 reasonable 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, and in such reasonable amount as the Board deems appropriate based upon the services required.

## **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.

5.2 Preparation and Approval of Budget.

(a) On or before the first day of November of each year the Executive Board shall adopt an annual budget for the Association containing (i) an estimate of the total amount considered necessary to pay the costs of the administration, maintenance, management, operation, repair and replacement of the Common Elements,

(ii) those parts, if any, of the Units which it is the responsibility of the Association to maintain, repair and replace, and (iii) 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 by majority vote of the Unit Owners, which will be required during the ensuing fiscal year. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital and a general operating reserve for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses.

(b) Within five business days following adoption of the budget, the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget containing an itemization of the amount of the Common Expenses and anticipated revenues. Such budget shall constitute the basis for determining each Unit Owner's assessment(s) for General Common Expenses and Limited 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.

(c) The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the legality, effectiveness, or enforceability of any budget.

### 5.3 Assessment and Payment of Common Expenses.

#### 5.3.1 General Common Expenses.

(a) The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (a) the total amount of the estimated amount stated in the budget adopted for the ensuing fiscal year required for the operation of the Association, after deducting therefrom any Limited Expenses and income expected to be received from sources other than Common Expense assessments and the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain by (b) the Percentage Interest (expressed in decimal form) 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, shall be payable in monthly instalments, and shall be due and payable in advance on the first day of each calendar month (the "Due Date").

(b) Assessments not paid within sixty (60) days after the due date shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Such liens may be filed in such public office as provided by law and shall be collected by the Association in such manner as is provided by law. In addition, unpaid assessments shall be a personal obligation of the Unit Owner or Owners, as the case may be, and may be collected by an action brought in any court of competent jurisdiction. All remedies of the Association shall be cumulative. Unpaid and untimely paid assessments shall be subject to the late charge and bear interest at the interest rate specified in Section 5.9 hereof.

(c) Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of (i) the Common Expenses and revenues received during such fiscal year and (ii) the expenditures actually incurred and (iii) the sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such 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.

### 5.3.2 Limited Expenses.

(a) The Executive Board shall calculate the monthly assessments for Limited Expenses against each Unit obligated to pay Limited Expenses. Such assessments shall be determined by multiplying (a) the total amount of the estimated revenues required for Limited Expenses set forth in budget adopted by the Executive Board for the fiscal year in question, from which shall be deducted any income expected to be received from the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain by (b) the percentage share of Limited Expenses (expressed in decimal form) allocated to each such Unit. The result shall be divided by (c) the number of calendar months in such fiscal year.

(b) Such assessments shall be assessed on an annual basis but shall be due and payable in advance in monthly installments on the first day of each calendar month beginning on January 1 in each such year (the "Due Date"). Assessments not paid within sixty (60) days after the due date shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Such liens may be filed in such public office as provided by law and shall be collected by the Association in such manner as is provided by law. In addition, unpaid assessments shall be a personal obligation of the Unit Owner or Owners, as the case may be, and may be collected by an action brought in any court of competent jurisdiction. All remedies of the Association shall be cumulative. Unpaid assessments shall bear interest at the legal rate of interest per annum, and each assessment not timely paid shall be subject to a one-time penalty of 10%.

(c) Within ninety days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and revenues received during such fiscal year, the expenditures actually incurred, and sums paid into reserves. Any net shortage attributable to Limited Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners obligated to pay Limited Expenses in accordance with their , and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.3.3 Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during any fiscal year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expense and/or Limited Expense which shall be assessed against the Unit Owners either according to their respective Percentage Interests with regard to General Common Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Elements (whichever is appropriate), 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 5.3.3 by a statement in writing giving the amount assessed against each such Unit Owner and the basis therefor. Such assessments shall, unless otherwise specified in the notice, shall be due and payable as specified in the notice. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Unpaid assessments shall be a lien against each Unit to which the assessment pertains and shall be collected as provided in Sections 5.3.1(b) and 5.3.2(b) hereof.

5.5 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to timely 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, Limited Expenses or Further Assessments. Pending the Executive Board's adoption of a budget for any fiscal year, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until such time as a new annual budget shall have been adopted.

5.5 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 the Executive Board. Such audit shall be available to any Unit Owner upon request.

5.6 Rejection of Budget; Limitations on Expenditures and Borrowing.

(a) The power of the Executive Board 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 these Bylaws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than ten (10%) percent of such

aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the Association then Outstanding would exceed ten (10%) percent of aggregate amount of such loans.

(b) For any capital expenditure exceeding \$1,000.00 for any single purchase, whether for goods or services, the Board shall secure three bids (estimates). The bids need not be advertised, but shall be a written estimate issued by the person or organization invited to prepare the estimate. The Board may award the bid to the lowest responsible bidder, as determined by the Board, but shall have the power to reject any and all bids for any reason deemed sufficient by the Board.

#### 5.7 Payment of Common Expenses.

(a) Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this 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. Subject to the provisions of this Section, 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 the date of Settlement on the Unit.

(b) The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments due as of the date of Settlement on the Unit, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; 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 (5) days following a written request therefor to the Executive Board or Managing Agent.

(c) The Association's lien for common expenses shall be divested by a judicial sale of a Unit only as provided in Section 3315(b)(2) of the Act.

5.8 Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than sixty (60) 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 five (5%) percent of the overdue assessment. Unpaid assessments shall bear interests at the rate of fifteen (15%) percent per annum until paid, which amounts may be added to any lien filed against the Unit.

5.9 Statement of Common Expenses. The Executive Board 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 Board may impose a reasonable charge for the

preparation of Such statement to cover the cost of its 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 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 replacement necessitated by his act, neglect 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 Board. 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 Association shall be entitled to recover the costs of such proceeding and its reasonable attorney's fees.

(c) **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 Executive Board 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.

(d) **Abating and Enjoining Violations by Unit Owners.** The violation of any of the Executive Board 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 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. Provided, in the event of an emergency, as determined by the Board, the Board shall have the right to take any reasonable and lawful action to abate the violation.

## **ARTICLE VII AMENDMENTS**

### 7.1 Amendments to Bylaws.

(a) These Bylaws may be modified or amended only by vote of a majority of the Unit Owners entitled to cast votes in the Association, except as otherwise expressly set forth herein or in the Act.

(b) 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 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 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 Property, upon receipt by the Executive Board 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 they 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 Board members of the Association 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 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 define, limit 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.

IN WITNESS WHEREOF, these amended By-laws are duly adopted and approved this 19th day of August, 1999 in accordance with the procedure established in the By-laws of the Association.

ATTEST:

*M. Hainault-Korshak*  
Secretary

KINGSBURY CONDOMINIUM ASSOCIATION  
Third Amendment and Restatement of Bylaws.  
*[Signature]*  
President