

**AMENDMENT TO THE BY-LAWS OF HILLTOP AT HIGH BRIDGE HOMEOWNERS
ASSOCIATION, INC.**

This Amendment to the Hilltop at High Bridge Homeowners Association, Inc. made this 16th day of December, 2008 by Hilltop at High Bridge Homeowners Association, Inc. having a principal office at c/o Access Property Management, 4 Walter E. Foran Boulevard, Suite 311, Flemington, New Jersey 08822, amends and supersedes Schedule A of the Declaration ("By-Laws") of the Association, and the First Amendment of the By-Laws.

WHEREAS, Hilltop at High Bridge Homeowners Association, Inc. (the "Association") was created by a Declaration of Rights, Covenants, Restrictions and By-laws recorded on November 2, 1983 in the Hunterdon County Clerk's Office in Deed Book 897, Page 1000, et seq. ("Declaration"), AND

WHEREAS, the Declaration includes a Schedule A: By-laws of Hilltop at High Bridge Homeowners Association, Inc., recorded in the Hunterdon County Clerk's Office in Deed Book 897, Pages 1019 through 1059 et. al. AND

WHEREAS, an Amendment to the By-laws was duly recorded in the Hunterdon County Clerk's Office in Deed Book 903, Pages 10 through 14 et al, AND

WHEREAS, on December 16, 2008, at a duly called special meeting where a quorum in excess of the required percent was present, or 75% of the members voted to amend, and thereby did amend, the Association's Declaration, Schedule A – By-laws, and the First Amendment to the By-laws.

NOW, THEREFORE, the Association does hereby amend, modify and supplement the Declaration as follows:

A. Schedule A: By-laws of Hilltop at High Bridge Homeowners Association, Inc. shall be modified in its entirety to read as follows, and the first amendment to the by-laws shall be nullified:

B. Notwithstanding the full execution of this Amendment, this Amendment shall not take affect until the recording of same in the Hunterdon County Clerk's Office.

Resolution Type: Administrative No. 2 Pertaining To: Filing of the Amendment to the By-Laws of the Hilltop at High Bridge Homeowners Association, Inc., duly adopted at a meeting of the Board of

Trustees of Hilltop at High Bridge Homeowner Association, Inc. held this 16th day of December, 2008.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to the Declaration for the Association, Inc., the day and year listed above.

Members of the Board of Trustees Vote:

| Officer | Vote: | | | |
|------------------------------|-------|----|---------|--------|
| | YES | NO | ABSTAIN | ABSENT |
| <u>[Signature]</u> , Trustee | ✓ | — | — | — |
| <u>[Signature]</u> , Trustee | ✓ | — | — | — |
| <u>[Signature]</u> , Trustee | ✓ | — | — | — |
| <u>[Signature]</u> , Trustee | ✓ | — | — | — |
| <u>[Signature]</u> , Trustee | — | — | — | ✓ |

By: [Signature] Date: 12/16/08
 William Scott, President
 Hilltop at High Bridge Homeowners Association, Inc.

ATTEST: [Signature] ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) ss. COUNTY OF HUNTERDON)

On the 16th day of December, 2008, William Scott, personally appeared before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person signed and delivered the foregoing document as the President of Hilltop at High Bridge Homeowners Association, Inc. (the "Association"), named in this document; and
- (b) this document was signed and delivered by the Association as a voluntary act and deed by virtue of authority from its Members.

Sworn and subscribed to before me this 16th day of December, 2008.

[Signature]
 NOTARY PUBLIC - NEW JERSEY

VALERIE ROBITZSKI
 ID # 2369621
 NOTARY PUBLIC OF NEW JERSEY
 Commission Expires 2/8/2013

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Prepared by: _____
A. CHRISTOPHER FLORIO, ESQUIRE

**BY-LAWS
OF
HILLTOP AT HIGH BRIDGE HOMEOWNERS ASSOCIATION, INC.**

Date of Initial Adoption: November 1, 1983

Date of First Amendment: March 21, 1984
(Article VIII)

Date of Second Amendment: TBD
(Complete Amended By-Laws)

**BY-LAWS
HILLTOP AT HIGH BRIDGE HOMEOWNERS ASSOCIATION, INC.**

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**BY-LAWS
OF
HILLTOP AT HIGH BRIDGE HOMEOWNERS ASSOCIATION, INC.**

These are the by-laws of Hilltop at High Bridge Homeowners Association, a non-profit, non-stock membership Corporation organized under Title 15 of the Revised Statutes of the State of New Jersey.

**ARTICLE I
GENERAL PROVISIONS**

Section 1.1 - Purposes Of The Association. The Association was formed in order to promote the health, safety and welfare of residents of the planned residential community consisting of eighty-one single family residential townhouse Units, which is located on the planned residential community in the Borough of High Bridge, County of Hunterdon, New Jersey known as "Hilltop at High Bridge" and was also formed in order that the Association may serve as a means by which Owners of all of said Units, through the exercise of the authority vested in the Board of Trustees, may take action with regard to the administration, management and operation of the Association's Common Areas and Common Facilities.

Section 1.2 - Applicability Of These By-Laws. The provisions of these by-laws are applicable to all current and future Units constructed on the Property and all Owners and occupants thereof. All present and future Owners, mortgagees, lessees and occupants of Units and their respective guests, tenants, and invitees and any other persons who may use the Common Facilities are subject to these by-laws, the Rules and Regulations of the Association and the provisions of the Declaration. The acceptance of a deed of conveyance of a Unit shall constitute an agreement that these by-laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.3 - Fiscal Year. The fiscal year of the Association shall end on December 31 of each year, or on such other date as the Board of Trustees shall hereafter decide.

Section 1.4 - Principal Office. The principal office of the corporation shall be located at the office of its managing agent, currently Access Property Management, Inc., 4 Walter E. Foran Boulevard, Suite 311, Flemington, New Jersey 08822, or at any other convenient and suitable place as shall be permitted by law and designated by the Board of Trustees.

ARTICLE II
TERMS USED IN THESE BY-LAWS

Section 2.1 - Definitions.

When used in these By-Laws, the following terms shall have the following meanings:

ASSESSMENT. An amount fixed by the Board of Trustees in accordance with these By-Laws and to be paid by Owners either as General Assessment, Special Assessment, or Remedial Assessment.

ASSOCIATION. The Hilltop at High Bridge Homeowners Association, Inc., its successors and assigns; a non-profit membership corporation which shall be the entity responsible for the administration and management of the planned residential development community.

BOARD or BOARD OF TRUSTEES. The Board of Trustees of the Association.

COMMON AREAS or COMMON PROPERTY. Areas and property of the Association, the fee simple title which is vested in the Association and not conveyed to Owners as a Unit or Lot and which are intended for the use of all residents in common. Management, operation and maintenance of Common Areas and Common Property shall be the responsibility of the Association, except as may otherwise be set forth in the Declaration or these By-Laws. Common Areas and Common Property shall include, but shall not be limited to, Common Facilities, Common yards, Common Open Space areas, common walkways, common driveways and common parking areas as may be shown on any drawings filed with the Planning Board of High Bridge.

COMMON CHARGES. All charges required to be paid by Owners equally.

COMMON EXPENSES. All of the expenses of the Association to be paid by Owners equally.

COMMON EXPENSE BUDGET. The itemized and detailed written statements adopted by the Trustees reflecting anticipated Common Receipts to be realized by the Association and anticipated Common Expenses to be incurred by the Association during a specified fiscal period.

COMMON FACILITIES. All apparatuses, installations and improvements now or hereafter reserved for either common use or common enjoyment of residents of the Association.

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COMMON OPEN SPACE. Areas to be devoted by the Association and Members of the Association to recreational and conservation purposes, which area may not contain any Units or Lots conveyed to an Owner and which area may contain improvements or structures appropriate for the common use and common enjoyment of residents of the Association. The fee simple title to the Common Open Space shall be vested in the Association.

COMMON RECEIPTS. All of the revenues realized by the Association.

DECLARANT. P.B.I. Construction Co., Inc., its successors and assigns.

DECLARATION. The Declaration of Rights, Covenants and Restrictions as to the Association executed by Declarant, recorded in the Hunterdon County Clerk's office, as may be amended from time to time.

GENERAL ASSESSMENT. An amount fixed by the Board of Trustees on the Common Expense Budget for a particular fiscal year representing the Common Expenses and which is to be paid by all Owners equally.

LOT. A parcel of land, the location, dimensions and boundaries of which are set forth on drawings and/or a survey and on which a single Unit is located and the Lot deeded to that Unit Owner.

MEMBER. An Owner of a Unit; all Owners are Members of the Association.

MEMBER IN GOOD STANDING. An Owner of a Unit who has paid all maintenance fees, late fees, fines, attorney's fees and other charges imposed by the Association against the Owner, the Unit and/or Lot and who has resolved all outstanding violations.

OWNER or UNIT OWNER. An Owner of a Unit and Member of the Association.

PARTY WALL. A wall which is used for the support of an adjoining Unit and which is situated or intended to be situated on the boundary line between Units.

REMEDIAL ASSESSMENT. An amount fixed by the Board of Trustees and specifically assessed against an Owner which is intended to pay or defray, in whole or in part the cost of any expenses incurred by the Association as a result of conduct of the Owner or in providing maintenance, repair, replacement, or other services for portions of the Unit which has been delegated to the Association. Remedial Assessments shall be paid by one or more Owners in an amount proportionate to each Owner's individual liability.

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SPECIAL ASSESSMENT. An amount fixed by the Board of Trustees in accordance with these By-Laws intended to pay or defray, in whole or in part the cost of any unbudgeted common expense.

UNIT. A fee simple residential living accommodation located on a Lot and designed or used for occupancy by a single family.

Terms defined in the Declaration shall have the same meaning as in the Declaration when used in these By-Laws.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 3.1 - Ownership Of Units. The fee simple title to a lot and Unit may be taken in the name of an individual, in the name of two or more persons as tenants in common, joint tenants or tenants by the entirety, in the name of a corporation, in the name of a partnership, or in the name of a fiduciary. When title to a Unit is held in the name of more than one person, the group of persons holding title shall be deemed to be one Unit Owner with respect to that Unit for all purposes of these By-Laws, including but not limited to, voting privileges.

Section 3.2 - Owners As Members Of The Association. The membership of the Association shall be comprised of Owners of Units. Each Owner, whether by purchase or other conveyance, of the fee simple title to Unit, by virtue of his ownership thereof, will become a Member of the Association; no tenant of any Unit shall be a Member of the Association. Membership in the Association shall be transferred only upon the conveyance of the fee simple title to a Unit by a Member; at such time the grantee of said Unit shall become a Member of the Association and the membership of the prior Member shall be thereby terminated. The Secretary shall keep a complete list of Members.

Section 3.3 - Member In Good Standing. A Member shall be deemed to be in good standing, if at least three days prior to the date of a meeting, that Member (a) has fully paid all installments due for Common Expenses and Assessments, of any type, made or levied against him and his Unit by the Board of Trustees together with all interest, costs, attorney's fees, fines, penalties and other charges, if any, and (b) is not in violation of any rules and regulations, these By-Laws, or the Declaration. Every Member in Good Standing shall have the right to use and enjoy the Common Facilities which right shall extend to any tenant or other person permanently and legally residing in the Member's Unit. Members not in good standing shall not be entitled to vote at a meeting of the Members and all membership rights and privileges shall be suspended.

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Section 3.4 - Voting. Each Member in good standing in the Association, shall be entitled to cast one vote for each Unit to which he holds title. When the fee simple title to a Unit is held in two or more names, any one of them shall be entitled to cast a vote for such Unit and to receive, with respect to such Unit, notices for all purposes unless the persons constituting the Owner of the Unit notify the secretary otherwise. If the persons holding title to a Unit disagree on who shall vote or do not concur on the subject requiring a vote, they shall lose the right to vote at that meeting or on that subject, as the case may be.

Voting may be in person, by proxy, and/or by ballot by mail; a combination of such methods may be used at any meeting at the sole discretion of the Board of Trustees. Except as otherwise required by law, the Declaration or these By-Laws, at any meeting called for a specific purpose at which a quorum is present, a majority of votes present in person, by proxy, and/or ballot by mail shall be sufficient on those matters which are to be voted on by the Members. The designation of any proxy (who need not be a Member) shall be made in writing to the Secretary and shall be revocable at any time.

Section 3.5 - Contribution To Capital. Each Member shall pay to the Association upon acquisition of title to each Unit, a nonrefundable and nontransferable contribution to the working capital of the Association in an amount to be determined, from time to time, by the Board of Trustees. Payment of such fee shall be a condition precedent to the exercise of rights of membership in the Association upon the initial sale or subsequent transfer of title to any Unit. Any unpaid capital contribution shall be deemed a lien on the applicable Unit in the same manner as any unpaid Assessment. Capital contribution funds collected shall be used at the sole discretion of the Board of Trustees for any purpose the Board of Trustees determines to be in the best interests of the Association.

ARTICLE IV
MEETINGS OF MEMBERS

Section 4.1 - Place Of Meetings. Meetings of Members shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Trustees.

Section 4.2 - Annual Meetings. There shall be an annual meeting of Members. The annual meeting of Members shall be held on a date and time each year as shall be designated by the Board of Trustees.

Section 4.3 - Conduct Of The Annual Meeting. The order of business at the annual meeting of the Members, as far as practicable, shall be:

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- (a) Calling of the roll.
- (b) Proof of notice of meeting and waiver of notice.
- (c) Reading and approval of any unapproved minutes.
- (d) Appointment of judges of election, if appropriate.
- (e) Election of Trustees, if appropriate.
- (f) Receiving reports of officers.
- (g) Receiving reports of committees.
- (h) Old business.
- (i) New business.
- (j) Adjournment.

Section 4.4 - Special Meetings. Special meetings of the Members shall be held when called (a) by the President when required by these Bylaws; (b) by the President whenever he deems such a meeting to be advisable, (c) by the Secretary when so ordered by a majority vote of the Board of Trustees; and (d) by the Secretary upon the written request of Members representing not less than one-third of the Members, which request must state the purpose of the meeting and the matters proposed to be acted upon.

Notwithstanding the foregoing, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Members held during the preceding twelve months except upon the approval of the Board of Trustees or upon the written request of Members representing not less than one half of the Members.

Section 4.5 - Notice Of Meetings. Except as otherwise provided by law, written notice of each meeting of Members shall be delivered or mailed to each Member not less than ten days nor more than sixty days prior to such meeting. Each such notice shall state the time, place, and purpose of the meeting. For a question submitted to a vote of the membership or trustee election, the notice shall (a) state with specificity each question or candidate upon which the vote is to be taken; (b) state the date by which ballots must be received in order to be counted; (c) provide an official ballot for the purpose of the vote; and (d) state the date upon which the action contemplated by each question shall be effective.

Notice of any adjourned meeting of the Members shall not be required to be given except at the meeting itself or when otherwise expressly required by law. Except where expressly required by law, no other publication of any notice of a meeting of Members shall be required.

Section 4.6 - Waiver Of Notice of Meeting. The attendance of any Member at a meeting, in person, by proxy, or by ballot by mail, shall constitute a waiver by him of notice of the time, place, and purpose of the meeting. If all Members are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

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Section 4.7 - Quorum. Except as otherwise provided by law, the presence in person, by proxy, or by ballot by mail, of Members holding 25% of the votes entitled to be cast by all Members shall constitute a quorum at all meetings of Members. In the absence of a quorum, the meeting may be adjourned to a time not less than 24 hours from the time the original meeting was called until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the original meeting. Each ballot validly received for the originally scheduled meeting will remain in full force and effect for any such adjourned meeting unless later revoked.

ARTICLE V
BOARD OF TRUSTEES

Section 5.1 - Authority. The property, affairs and business of the Association shall be managed by the Board of Trustees, which shall have all those powers granted to it by law, the Certificate of Incorporation, the Declaration, and these By-Laws.

Section 5.2 - Number And Qualifications. The Board of Trustees shall consist of five persons, each of whom shall be a Member in Good Standing, however, no more than one co-Owner of a Unit may serve on the Board of Trustees at the same time. Spouses of Members who are not also Members are not eligible to serve on the Board of Trustees. In the case of partnership Owners, any one partner, employee or agent of the partnership may be elected as a Trustee. In the case of corporate Owners, any one officer, stockholder, employee or agent of the corporation may be elected as a Trustee. In the case of fiduciary Owners, any one fiduciary, officer or employee of the fiduciary may be elected as a Trustee.

Section 5.3 - Nomination Of Members To Board Of Trustees. Candidates for the Board of Trustees shall be nominated by a Member or the candidate himself. In order to be included on official ballots, nominations must be made by the deadline designated by the Board of Trustees. Candidates shall at all times be Members in Good Standing.

Section 5.4 - Term Of Office. Terms of Trustees shall be for three years. To provide continuity, terms of Trustees shall be staggered such that at least one but no more than two Trustees are elected at each annual meeting. Candidates receiving the highest number of votes will be deemed to be elected. Trustees shall hold office until their respective successors have been duly elected and qualified or until they resign or are removed as set forth herein.

Section 5.5 - Vacancies. If the office of any Trustee shall become vacant for any reason, the remaining Trustees shall choose a successor at a meeting. Each person so appointed shall be a Trustee for the remainder of the unexpired term.

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Section 5.6 - Removal Of Members Of The Board Of Trustees. Trustees may be removed with or without cause at any meeting of the Members called for such purpose by the affirmative vote of two-thirds of the Members in good standing. Any Trustee whose removal has been proposed shall be given an opportunity to be heard at the meeting. The remaining Trustees shall appoint a successor as set forth above to fill the vacancy. In the event that all of the Trustees are removed, successors shall be elected by the Members at a special meeting called for such purpose.

Notwithstanding the above, any Trustee who fails to remain a Member in Good Standing during his term of office shall be removed by the affirmative vote of a majority of the Trustees if the delinquency is not resolved within 30 days. In the event a Trustee is absent from three meetings in a row or is absent from any four out of six consecutive meetings, the Trustee may be removed by the affirmative vote of a majority of the Trustees.

Section 5.7 - Compensation. No compensation shall be paid to any Trustee. Nothing herein stated shall prevent any Trustee from being reimbursed for out-of-pocket Association expenses provided that the expenses incurred have been authorized by the Board of Trustees.

Section 5.8 - Regular Meetings Of The Board Of Trustees. Regular meetings of the Board of Trustees may be held as determined necessary by the Trustees, but at least four such meetings shall be held in each fiscal year. Notice of each meeting, stating the date, time, location and purpose of the meeting, shall be given to each Trustee with at least five days' notice by telephone, mail, e-mail, or a writing delivered in person.

Section 5.9 - Special Meetings Of The Board Of Trustees. Special meetings of the Board of Trustees shall be called by the President as he determines necessary or by the written request of any two Trustees. Notice of each meeting, stating the date, time, location and purpose of the meeting, shall be given to each Trustee with at least three days' notice by telephone, e-mail, or other writing delivered in person.

Section 5.10 - Waiver Of Notice. Before any meeting of the Board of Trustees, whether regular or special, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board of Trustees shall likewise constitute a waiver by him of such notice. If all Trustees are present at any meeting of the Board of Trustees, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these By-Laws.

Section 5.11 - Meetings Open To Members. Meetings of the Board of Trustees, whether regular or special, shall be open to Members for observation or participation in such manner and to the extent the Board of Trustees may deem appropriate. Members shall have no right to

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attend meetings of the Board of Trustees which are considered conference or working sessions at which no binding votes are taken or those meetings, or portions of meetings, which are permitted to remain closed by law.

Section 5.12 - Quorum. At all duly convened meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business except as otherwise expressly provided in these By-Laws or by law. The acts of the majority of the Trustees present at such meeting at which a quorum is present, shall be the acts of the Board of Trustees. If at any meeting of the Board of Trustees there shall be less than a quorum present, the Trustees present may adjourn the meeting and any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Trustee.

Section 5.13 - Consent In Lieu Of Meeting. The Board of Trustees shall have the power to take action on any matter on which it is authorized to act without the necessity of a formal meeting and vote, if all of the Trustees shall consent in writing to such action.

ARTICLE VI
POWERS AND DUTIES OF BOARD OF TRUSTEES

Section 6.1 - Powers And Duties. The Board of Trustees shall have and exercise all those powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Common Property and may do or cause to be done all such other lawful acts and things as are permitted by law, the Declaration, and these By-Laws. The Board of Trustees shall have the powers and rights and the duties and obligations including, but not limited to, the following:

(a) **Payment Of Taxes.** To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or Assessments levied against any Unit or otherwise properly chargeable to the Owners thereof.

(b) **Employees And Contractors.** To employ and retain personnel or contractors and purchase or arrange for such services, equipment, tools, materials and supplies, as the Board of Trustees may from time to time determine to be necessary for the proper administration, operation and maintenance of the Property and exterior of Units, except the portions required to be maintained by Owners of Units. Compensation of such employees and contractors shall be upon such terms as the Board of Trustees determines necessary and proper.

(c) **Collection Of Assessments And Other Charges.** To collect delinquent levies or Assessments along with related late charges, interest or other charges made by the Association

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through the Board of Trustees against any Lot, Unit and Owner thereof, together with such costs and expenses incurred in connection therewith including, but not limited to, court costs and attorney's fees, whether by suit or otherwise, to abate nuisances and enforce observance of the rules and regulations relating to the Property, by injunction or such other legal action or means as the Board of Trustees may deem necessary or appropriate and to collect in connection with such enforcement any fines or other penalties imposed together with court costs and reasonable attorney's fees.

(d) **Rules And Regulations.** To make, and enforce compliance with, such reasonable rules and regulations relative to the operation, use and occupancy of the Units, Common Areas and Common Facilities, and to amend the same from time to time as the Board of Trustees shall deem necessary or appropriate, which rules and regulations when approved by appropriate resolutions shall be binding on the Owners and occupants of Units, their successors in title and assigns.

(e) **Management.** To employ personnel or retain a contractor as a duly qualified manager or managing agent to assist the Board of Trustees in the management and operation of the Association and the Common Property and Facilities including such duties and services as the Board of Trustees shall authorize. Compensation of the manager or managing agent shall be upon such terms as the Board of Trustees deems necessary and proper.

(f) **Professional Advisors.** To employ personnel or retain a contractor to provide professional advice including, but not limited to, landscape architects, architects, engineers, lawyers and accountants. Compensation of the professional advisors shall be upon such terms as the Board of Trustees determines necessary and proper.

(g) **Additional Services.** To furnish additional programs and services if same shall be duly authorized by the Board of Trustees.

(h) **Fines And Enforcement.** To enforce obligations of Members and do anything and everything else necessary and proper for sound management, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Declaration, these Bylaws and any Rules and Regulations. The Board of Trustees shall also have the power to establish the amount of and levy fines against any Member for violation of the Declaration, Bylaws and Rules and Regulations. Collection of fines may be enforced against any Member involved as if the fine were a Common Expense owed by the particular Member, and such fines shall constitute a lien upon the particular Member's Unit and Lot. Before any fine is imposed by the Board of Trustees, the Member accused shall have been given notice and afforded an opportunity to be heard with respect to the alleged violation in a manner consistent with the principles of due process of law.

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- (i) **Borrowing.** To borrow and repay monies, giving notes, mortgages or other security upon such term or terms as it deems necessary.
- (j) **Investing And Other Acts.** To invest and re-invest monies, collect interest, dividends, and capital gain exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto.
- (k) **Legal Action.** To bring and defend legal actions pertinent to the health, safety, administration or general welfare of the Association or its Members, or any other legal action to which the Board of Trustees determines necessary.
- (l) **Committees.** To create, appoint Members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board of Trustees in the discharge of its duties, functions and powers, including, but not limited to, an Architectural Control Committee and Alternate Dispute Resolution Committee.
- (m) **Easements Licenses And Other Property Rights.** To transfer, grant or obtain easements, licenses and other property rights with respect to the Common Property in a manner not inconsistent with the rights of Members.
- (n) **Maintenance And Operation of Property.** To provide necessary services, maintenance, repair, and replacement work for the Common Property and any portion of a Unit or Lot the maintenance of which has been delegated to the Association or has not been performed by the Unit Owner as set forth in Article IX herein.
- (o) **Corporate Records.** To cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting.
- (p) **Damage Or Destruction Of Common Property.** To make repairs, additions, improvements to, or restoration of Common Property in accordance with the provisions of these Bylaws and the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (q) **Compliance With Governmental Requirements.** To take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Common Property issued or mandated by any federal, state, county or municipal authority having jurisdiction there over, or order of the Board of Fire Underwriters or other similar bodies.

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- (r) **Health, Safety, Welfare.** To discharge its powers in a manner that protects and furthers the health, safety and general welfare of the Members.
- (s) **Alternative Dispute Resolution.** To provide a fair and efficient procedure for the resolution of disputes between individual Members, that shall be readily available as an alternative to litigation.
- (t) **Insurance.** To place and keep in force all insurance coverages required to be maintained by the Association applicable to Common Property including as set forth herein.
- (u) **Fiscal Management.** To manage the fiscal affairs of the Association as set forth herein.
- (v) **Records Of The Association.** To keep detailed records of the actions of the Board of Trustees, minutes of the meetings of the Board of Trustees, minutes of the meeting of Members, and financial records and books of account of the Association, including separate accounts for each Unit which, among other things, shall contain the amount of each Assessment and charge against Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.
- (w) **Annual Report.** To make available to Members an annual report of the receipts and expenditures of the Association by an independent certified public accountant.
- (x) **Copies Of Governing Documents.** To maintain at the Association's office and make available to Members for inspection during reasonable business hours, copies of the Declaration, these By-Laws, and the Rules and Regulations.

ARTICLE VII
OFFICERS

Section 7.1 - Elective Officers. The principal officers of the Board of Trustees of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. Any two offices, except that of President and Vice-President, may be held by one person. Officers must be Members of the Board of Trustees.

Section 7.2 - Election And Removal. The officers shall be elected by the Board of Trustees following each annual meeting. Officers shall hold their positions at the pleasure of the Board of Trustees. If any officer position becomes vacant for any reason, the vacancy shall be filled by the Board of Trustees. Upon an affirmative vote of a majority of the Members of the Board of Trustees, any officer may be removed, with or without cause, and

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his successor elected at any regular meeting of the Board of Trustees or at any special meeting of the Board of Trustees called for such purpose.

Section 7.3 - Compensation. No compensation shall be paid to any officer. Nothing herein stated shall prevent any officer from being reimbursed for out-of-pocket Association expenses provided that the expenses incurred have been authorized by the Board of Trustees.

Section 7.4 - President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Trustees. He shall have the general powers and duties usually vested in the office of President of an Association. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and when the signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association.

Section 7.5 - Vice President. Any Vice President shall have such duties as shall be determined from time to time by the Board of Trustees.

Section 7.6 - Secretary. The Secretary shall attend all meetings of the Board of Trustees and all meetings of the Members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose. He shall have charge of the minute books and such records and papers as the Board of Trustees shall direct and perform all duties incident to the office of Secretary, including the sending of notices of meetings to the Members, the Board of Trustees and committees and such other duties as may be prescribed by the By-Laws or by the Board of Trustees or the President. He shall also have custody of the corporate seal and, when authorized by the Board of Trustees, affix the same to any instrument requiring it and attest the same when appropriate. At the sole discretion of the Board of Trustees, some or all of these duties may be performed by an agent of the Association and overseen by the Secretary.

Section 7.7 - Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of the Association as may from time to time be ordered by the Board of Trustees or by the President, making proper vouchers for such disbursements and shall render to the President and the Board of Trustees, at the regular meetings of the Board of Trustees or whenever they or either of them shall require an account of his transactions as Treasurer and of the financial condition of the Association. At the sole discretion of the Board of Trustees, some or all of these duties may be performed by an agent of the Association and overseen by the Treasurer.

ARTICLE VIII
LIABILITY, INDEMNIFICATION AND EXCULPATION OF TRUSTEES

Section 8.1 - Indemnification. Each Trustee, officer, and committee member of the Association, shall be indemnified by the Association against any loss, including counsel fees, reasonably incurred by or imposed in connection with any action, suit or proceeding to which that person may be a party by reason of being or having been a Trustee, officer or committee member of the Association, except as to matters as to which that person shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct. The foregoing shall not be exclusive of other rights to which such Trustee, officer or committee member may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by reason or arising out of or in connection with this indemnification shall be treated by the Association as a Common Expense. Nothing in this section shall be deemed to obligate the Association to indemnify any former or current Trustee, officer or committee member with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or his ownership of a Unit and which are not related to his service as a Trustee, officer or committee member.

Section 8.2 - Exculpability. Unless acting with willful misconduct, gross negligence, or in bad faith, neither the Board of Trustees as a body nor any Trustee, officer or committee member of the Association, shall be personally liable in any respect for any action or lack of action arising out of the execution of the office. Each Member shall be bound by the good faith actions of the Board of Trustees, officers and committee members of the Association, in the execution of their respective duties. To the extent permitted by law, members of the Board of Trustees shall have no personal liability with respect to any contract entered into by them on behalf of the Association.

ARTICLE IX
MAINTENANCE OF UNITS AND COMMON PROPERTY

Section 9.1 - Description Of Units And Common Property.

(a) **Unit/Lot.** Each one of the 81 Units on Lots is independent and self-contained but is attached to one or more similar Units by not more than two Party Walls extending from the foundation to the roof. All portions of the Unit and Lot conveyed to the Owner shall be the Owner's property.

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(b) **Common Property.** All property within the Association which has not been conveyed to Owners as a Unit or Lot, or to the Borough of High Bridge, including, but not limited to, roadways, sidewalks, parking areas, detention basin, retaining walls, refuse depots, and open, landscaped and grassy areas. All portions of the Common Property shall be the Association's property.

Section 9.2 - Unit Owner's Maintenance and Repair Obligations.

(a) **Unit.** Each Owner of a Unit shall be responsible, at the Owner's sole cost and expense, for maintenance, repair, replacement and services for any and all portions of the interior and exterior of the Unit, between and including the Party Walls, conveyed upon sale including, but not limited to:

(1) Electrical, mechanical, plumbing, heating, and air conditioning systems, fixtures and appliances of any type contained within the Unit and/or on the Lot or which solely serve the Unit or Lot.

(2) Gutter system and downspouts, as necessary to avoid water damage to any Unit or Common Property (except as set forth in Article IX, Section 9.3(a)(4).)

(3) Exterior siding (except as set forth in Article IX, Section 9.3(a)(1) and (2) and (b).)

(4) All walls, drywall or wallboard, interior supports and beams, foundations, floors, subfloors, and similar items.

(5) Roofs, sliding glass doors, windows, doors (except as set forth in Article IX, Section 9.3(a) and (b)), light fixtures, chimney including flue pipes and caps, attic fan and vent, and all internal mechanisms such as plumbing, electrical wiring, fireplace, heating, air conditioning, appliances, etc.

(6) All other fixtures, appliances, mechanisms, wiring, cables, pipes, and other items of any type located in the interior of the Unit or on the Lot or which solely serve the Unit and which are not expressly required in these By-Laws to be maintained, repaired or replaced by the Association.

(b) **Lots And Improvements.** Each Owner of a Unit shall be responsible, at the Owner's sole cost and expense, for maintenance, repair, replacement and services for any and all portions of the Lot upon which the Unit is located or solely serving the Unit or Lot as conveyed including, but not limited to:

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(1) Groundskeeping of the Lot (except lawn cutting and landscaping which may be performed by the Association as set forth in Article IX, Section 9.3(c)(1)) including, but not limited to, grading, erosion control, and other water drainage on the Lot.

(2) Front porch, porch railings (except painting performed by the Association as set forth in Article IX, Section 9.3(a)(1)), decks, deck stairs, patios, foundation, entry walkway from common sidewalk to front entry door of Unit, and steps to front door of Unit.

(3) Individual plants and planting beds in the front and back of the Unit and at the side of an end Unit (except as provided by Article IX, Section 9.3(c)(1).)

(4) Snow removal on steps to front door of Unit and entry walkway from common sidewalk to front entry door of Unit as well as any other area on the Lot deemed necessary by the Unit Owner.

(5) Water and sewer lines, such as laterals, located on the Lot and/or solely serving the Unit as well as problems originating from the Unit or Lot whether or not located in the Unit or on the Lot.

(6) All other fixtures, appliances, mechanisms, wiring, cable, pipes, and other items of any type which solely serve the Unit and which are not expressly required in these By-Laws to be maintained, repaired or replaced by the Association.

Section 9.3 - Association's Maintenance And Repair Obligations.

(a) **Unit Exteriors.** The Association shall be responsible for maintenance, repair, replacements and services of the following as determined necessary at the Association's sole discretion, such costs to be provided for in the Common Expense Budget:

(1) Periodic exterior painting and maintenance of finished surfaces of the Units which shall include, but shall not be limited to, siding and trim, front entry doors, and porch railings. Only during the periodic siding painting shall the Association also be obligated to consider painting the front entry doors and porch railings. At all other times this shall be the obligation of the Owner.

(2) Isolated and minimal pieces of damaged siding resulting from normal wear and tear. Only during the periodic siding painting shall the Association also be obligated to consider replacing any damaged siding. At all other times this shall be the obligation of the Owner.

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(3) Caulking around exterior doors and windows. Only during the periodic siding painting shall the Association also be obligated to consider caulking the exterior doors and windows. At all other times this shall be the obligation of the Owner.

(4) Periodic gutter system and downspout maintenance to clear debris. This is intended to be a scheduled community-wide service and is not intended to substitute for an Owner's obligation to continually clear and otherwise maintain the gutter system and downspouts on an as needed basis as set forth in Article IX, Section 9.2(a)(2).

(b) **Unit Exteriors - Optional.** The Association may, at its sole discretion, replace the roofs and/or siding of Units on a community-wide basis or otherwise and the costs of such replacement shall be paid by individual Unit Owners as a Remedial Assessment. However, nothing in this section requires the Association to perform this optional work and absent such a decision the maintenance, replacement, and repair of Unit roofs and siding remains the responsibility of each individual Unit Owner.

(c) **Lots on Which Units Are Located.** The Association shall be responsible for the maintenance, repair, replacements and services of the following as determined necessary at the Association's sole discretion, such costs to be provided for in the Common Expense Budget:

(1) Maintenance of landscaping, grass cutting, fertilization, leaf removal and/or other services which may be provided for in a landscaping service contract.

(d) **Common Property.** The Association shall be responsible for the maintenance, repair, replacements, and services of the following as determined necessary at the Association's sole discretion, such costs to be provided for in the Common Expense Budget:

(1) Detention basin.

(2) All roadways (except Berrywood Lane), curbs, driveways, common sidewalks and parking areas located within the Association.

(3) Snow removal on all common sidewalks, roadways (except Berrywood Lane), and parking areas.

(4) Landscaping of Common Open Space areas including, but not limited to, grass cutting, fertilization, and leaf removal.

(5) Water and sewer lines solely serving Common Property and/or Common Facilities.

ARTICLE XI
OBLIGATION TO PAY ASSESSMENTS AND OTHER CHARGES

Section 11.1 - Obligation Of Members To Pay Assessments. Each Owner of a Unit by acceptance of a deed or other instrument of conveyance for the Unit and whether or not it shall be so expressed in any such deed or other instrument of conveyance, shall be deemed to covenant and agree to pay all Assessments and other charges or costs levied by the Association including, but not limited to: (a) all common charges resulting from General Assessments based upon the budget of the Association, (b) all Special Assessments as may be fixed, established and collected from time to time, (c) all Remedial Assessments as may be fixed, established and collected from time to time, (d) membership fee, including but not limited to the capital contribution fee; (e) any other charges or Assessments as determined by the Association to be Common Expenses; (f) any interest, late fees, charges, penalties, attorney's fees or fines levied for non-payment of Assessments or for non-compliance with the terms and provisions of the Declaration, these By-Laws or the rules and regulations as created by the Board of Trustees. No Owner may waive or otherwise avoid liability for any Assessment by non-use of the Common Property or otherwise.

Section 11.2 - Due Dates Of Assessments. Common Charges resulting from General Assessments shall be imposed annually, however, they may be paid in monthly installments due on the first day of each month or due at such other times and in any other installments as the Board of Trustees shall determine. Special Assessments and Remedial Assessments shall be paid at such time and in such installments as determined by the Board of Trustees or as otherwise mandated by these By-Laws.

Section 11.3 - Effect Of Non-Payment of Assessments And Other Charges. In the event of non-payment of any Assessment or other charge as required, the Board of Trustees may assess against the delinquent Owner and Unit, interest charges, late fees of any reasonable amount, and costs of collection (including reasonable attorney's fees). The Board of Trustees shall have the right to accelerate payment of all remaining Assessment installments for the remainder of the fiscal year against any Unit Owner delinquent for a period exceeding thirty days from the due date. Collection of Assessments and other charges may be enforced by a lawsuit in an action at law or equity against the Owner personally obligated or by foreclosing a lien against the Unit, or both, and the Association may seek whatever other remedy is available at law or in equity.

Section 11.4 - Lien For Unpaid Assessments And Other Charges; Foreclosure. All Assessments, fines, late fees, and other charges together with interest and costs of collection (including reasonable attorney's fees) shall be a continuing lien upon the Unit against which such charges were made and shall also be the joint and several personal obligation of each Owner and subsequent Owner. The Assessment lien shall be prior to all other liens except (a)

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prior Assessments, municipal Assessments and real estate taxes and (b) a bonafide mortgage recorded prior to the recording of the Assessment lien by the Association. Liens for unpaid Assessments and other charges may be foreclosed by the Association in the same manner as a foreclosure of a mortgage on real property. The Association shall have the right to bid at any foreclosure sale. Title acquired by any purchaser following such a foreclosure sale shall be subject to all of the provisions of these By-Laws, the Declaration and any rules and regulations. Suit to recover a money judgment for unpaid Assessments and other charges may also be maintained at any time without waiving the lien securing same.

Section 11.5 - Liability Of Purchaser Of Unit For Unpaid Charges. Upon the voluntary sale or conveyance or upon any other transfer of a Unit, the purchaser/grantee shall be jointly and severally liable with the seller/grantor for all unpaid Assessments and other unpaid charges and until such amounts are paid they shall continue to be a charge against the Unit which may be enforced as set forth in these By-Laws. Notwithstanding this, if any purchaser/grantee receives a written statement of account for a Unit which does not set forth the full amount of the unpaid charges as of the date it is issued then the purchaser/grantee shall not be liable for the payment of the amount in excess of the unpaid charges shown on the written statement of account except as may accrue after the date of purchase of the Unit.

Section 11.6 - Late Charges, Interest And Counsel Fees. The Board of Trustees at its option shall have the right in connection with the collection of any Assessment or other charge to impose a late charge of any reasonable amount and interest not to exceed the maximum rate permitted by law for delinquent real estate taxes or both. In the event that the Board of Trustees shall effectuate collection of Assessments or other charges by resort to counsel or the filing of a lien, or both, the Board of Trustees may add to the aforesaid Assessments or other charges reasonable attorney's fees and costs in addition to such other costs as may be permitted by law.

ARTICLE XII
GENERAL ASSESSMENTS

Section 12.1 - Assessments To Cover Common Expenses.

(a) The Board of Trustees shall make appropriate General Assessments against each lot based upon anticipated Common Expenses and shall also make revised General Assessments, when and as the same become necessary.

(b) General Assessments shall be levied and allocated to the Units in equal amounts.

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Section 12.2 - Adoption By Board Of Trustees Of Common Expense Budget: General Assessment Resulting In Monthly Common Expense Charges.

(a) Within the months preceding the commencement of each of the Association's fiscal years, the Board of Trustees will estimate the amount of Common Expenses which will be incurred during the fiscal year as to the following items of Common Expenses:

- (i) The cost and expense of the maintenance of insurance coverage by the Association.
- (ii) The cost and expense of all maintenance, repair, replacement and services for the Common Property and Common Facilities as set forth in Article IX, Section 9.3(d).
- (iii) The cost and expense of all maintenance, repair, replacement and services for the Units and Lots for which maintenance obligation has been delegated to the Association as set forth in Article IX, Section 9.3(a) and (c).
- (iv) The cost and expense of all governmental charges levied as to Common Areas.
- (v) The cost and expense attributable to general management and operations.

(b) Within the months preceding the commencement of each of the Association's fiscal years, the Board of Trustees will estimate the amount of Common Receipts which will be collected during the fiscal year.

(c) The anticipated Common Expenses and anticipated Common Receipts shall be reflected in a written document adopted by the Board of Trustees which will be known as the "Common Expense Budget." Accordingly, the Board of Trustees at a meeting held thereafter shall allocate and make General Assessments against all of the Units. The monthly Common Charges to be paid by all Owners shall be equal to the aggregate amount of the Common Expense items.

Section 12.3 - Written Notice Of Adopted Budget And Amount Of Monthly Common Charges Required To Be Paid. Within a reasonable time after the adoption of "Common Expense Budget" the Board of Trustees shall (1) furnish each Owner with a copy of the Common Expense Budget, and (2) inform each affected Owner, in writing, of the amount of monthly Common Charges which he will be required to pay.

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Section 12.4 - Common Expense Surplus. If the Board of Trustees determines that the amount of Common Receipts has exceeded the aggregate amount of Common Expenses provided for in a Common Expense Budget, the Board of Trustees may adopt a resolution providing either for:

(a) A distribution of the resulting Common Expense surplus to each affected Owner in accordance with their respective contribution payments; or

(b) A satisfaction or reduction, as the case may be, of each of said affected Owner's monthly Common Charges accruing thereafter as to the particular budget; or

(c) The retention by the Association and application of the Common Expense surplus to one or more items of expense to be provided for in the budget to be adopted for the next succeeding fiscal period; or

(d) The retention by the Association of the Common Expense surplus and the appropriation of said Common Expense surplus to any reserve fund maintained by the Association.

Section 12.5 - Common Expense Deficit. If the Board of Trustees determines during any fiscal period or thereafter that the amount of anticipated or received Common Receipts have not or will not equal the aggregate amount of items of anticipated or incurred Common Expenses provided for in a Common Expense Budget, they shall adopt a revised Assessment resolution in which case the Owners shall be required to pay revised monthly Common Charges as provided in resolution in addition to such other monthly Common Charges as they may be required to pay.

ARTICLE XIII **SPECIAL AND REMEDIAL ASSESSMENTS**

Section 13.1 - Special Assessments. The Board of Trustees may impose Special Assessments to pay the cost of unexpected or unplanned maintenance, repair, replacement or service to any Common Facility or for any other common purpose. Special Assessments shall be paid equally by all Owners. Before any Special Assessment shall be imposed, an appropriate resolution shall be passed by the Board of Trustees. The payment of Special Assessments shall be made as directed by the Association and, if not so paid, shall be collected in the same manner as General Assessments. Funds received as a result of Special Assessments shall be used only for the stated purpose for which the Special Assessment was made.

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Section 13.2 - Remedial Assessment To Cover Non-Recurring Expense Items. Each Owner shall be obligated to reimburse the Association for any expenses incurred by the Association in providing maintenance, repair, replacement, or other services for portions of the Unit which has been delegated to the Association pursuant to Article IX, Section 9.3(b) (optional roof and siding replacement). Expenses shall be charged to each Owner in proportion to the size of the Unit and/or the specific work required. The payment of the expenses shall be due upon the Owner's receipt of a bill from the Association and, if not paid within fifteen days after presentation of such bill, shall be collected in the same manner as General Assessments.

Section 13.3 - Remedial Assessment As To Replacement Expense From Owner's Negligence. Each Owner shall be obligated to reimburse the Association for any expenses incurred by the Association in repairing or replacing any portion of the Common Areas or the Common Facilities located thereon which are damaged by the Owner's negligence or by the negligence of his tenants, guests, invitees, or licensees. The payment of the repair or replacement expense shall be due upon the Owner's receipt of a bill from the Association and, if not paid within fifteen days after presentation of such bill, shall be collected in the same manner as General Assessments.

Section 13.4 - Remedial Assessment Expense Resulting From Neglectful Condition. Each Owner shall be obligated to reimburse the Association for any and all expenses incurred by the Association in causing work to be performed in order to rectify a "neglectful condition" on the Owner's Lot or on the Unit exterior. The payment of the repair or replacement expense shall be due upon the Owner's receipt of a bill from the Association and, if not paid within fifteen days after presentation of such bill, shall be collected in the same manner as General Assessments.

Section 13.5 - Remedial Assessment For Repair Or Reconstruction Costs Incurred By The Association As A Result Of Casualty Loss. Each Owner of a Unit shall be obligated to reimburse the Association for any and all expenses incurred by the Association as a result of reconstructing or repairing any damaged or destroyed Unit to the extent the proceeds of casualty insurance are insufficient. The payment of the repair or replacement expense shall be due upon the Owner's receipt of a bill from the Association and, if not paid within fifteen days after presentation of such bill, shall be collected in the same manner as General Assessments.

ARTICLE XIV **FISCAL MANAGEMENT**

Section 14.1 - Disbursements. The Board of Trustees shall take and hold funds as collected and shall disburse the same for the purposes and in the manner set forth herein and

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as required by the Declaration, these By-Laws, the Certificate of Incorporation and applicable law.

Section 14.2 - Depositories. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Trustees and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board of Trustees, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association if the proper fidelity bond is furnished to the Association.

Section 14.3- Accounts. The receipts and expenditures of the Association shall be Common Charges and Common Expenses, respectively, and shall be allocated, credited and charged to accounts under the following classifications as the Board of Trustees shall deem appropriate:

- (a) Current Expenses, which shall include all expenditures within the year for which the Common Expense Budget is made, including reasonable allowances for contingencies and working funds. Current Expenses shall not include expenditures chargeable to reserves, or to additional improvements, or to operations.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (c) Reserve for replacement, which shall include funds which are required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.
- (d) Reserve for capital improvements, which shall include funds to be used for capital expenditures or for the acquisition of additional personal property.
- (e) Operations, which shall include all funds from the use of the Common Property, or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account. At the end of each year, any unexpended amount remaining in this account shall be applied to reduce the Assessments for current expenses for the succeeding year or may be distributed to the Owners to the extent that the Board of Trustees shall determine. In either event, any such expenses shall be allocated to the same Members and in the same manner as the relevant Common Expenses were assessed. Losses from the operations or otherwise shall be met by levying Special Assessments against the Members, against when the Assessments were made, which may be made in advance in order to provide a working fund.

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Section 14.4 - Reserves. The Board of Trustees shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts or certificates of deposit, and shall not be utilized for any purpose other than that which was contemplated at the time of Assessment. The foregoing shall not be construed to mean that the Board of Trustees shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

Section 14.5 - Notice Of Annual Common Expense Assessment. The Board of Trustees shall give to each Member written notice of the amount estimated by the Board of Trustees for the annual Common Expense Assessment for each such Member. Such notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails.

Section 14.6 - Failure To Make Annual Common Expense Assessment. If the annual Common Expense Assessment is not revised from the previous year, or is not made as required, an Assessment shall be presumed to have been made in the amount of the prior year's Assessment and monthly installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment.

Section 14.7 - Annual Audit. The Board of Trustees shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant who shall perform an audit and render a report in writing to the Board of Trustees.

Section 14.8 - Examination Of Books. Each Member shall be permitted to examine the books of account of the Association by appointment at a reasonable time on business days, provided that the managing agent has been given at least ten days prior written notice.

Section 14.9 - Fidelity Bonds. Fidelity bonds shall be required from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Trustees. The premiums for Board of Trustees Members on such bonds shall be paid by the Association.

ARTICLE XV
RESTRICTIONS AS TO USE OF UNITS AND COMMON PROPERTY

Section 15.1 - Restrictions. The Units and Common Property shall be subject to all covenants, restrictions and easements of record and to the following restrictions and covenants, all of which shall be perpetual in nature and run with the land:

- (a) **Use as Residence.** No Unit shall be used for any purpose other than as a private residence nor in any manner which is not expressly permitted by these By-Laws, the Declaration or the Rules and Regulations. No Unit or Lot shall be used for any commercial purpose.
- (b) **Common Property Use.** All Common Areas shall be used only for the purposes for which they are intended or reasonably suited and which are incidental to the use and occupancy of Units and Lots. There shall be no obstruction of access to any Common Property. The walkways in front of the buildings, entrances and roads shall not be obstructed or used for any purpose other than for ingress to and egress from the buildings.
- (c) **Unit Modifications.** No structural changes or alterations of a Unit or any exterior modification, including changes to the appearance of the exterior of any Unit, shall be commenced until the plans and specifications are approved in writing by the Board of Trustees.
- (d) **Maintenance.** Each Owner shall promptly perform and complete, at his own expense, all required repairs, maintenance and replacements.
- (e) **Insurance.** Nothing shall be done or kept in any Unit or on any Lot which will increase the rates of insurance beyond the rates applicable for such Units, without the prior written consent of the Board of Trustees. No Owner shall permit anything to be done or kept in his Unit or on his Lot or the Common Property which will result in the cancellation of insurance on the Common Property.
- (f) **Display.** Except with the written approval by the Board of Trustees, no clothes, sheets, towels, blankets or any other articles shall be hung out, installed, displayed or exposed on any part of the Common Property, Units or Lots; no sheds or other structures shall be installed or used on the Common Property or any lot; except as permitted in the Rules and Regulations, nothing shall be hung, painted or displayed on the outside of the windows or placed on the outside walls or outside surfaces of doors of any Unit and no signs, awnings, canopies, or any other articles shall be affixed or placed upon the exterior walls or roofs. The display or use of items within a Unit but visible from the exterior shall be subject to the Rules and Regulations.

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(n) Unit and Lot Upkeep. Each Owner shall keep the Unit and Lot neat and clean, regularly removing any trash and debris.

(o) Sale of Unit. Each Owner shall give the Association timely notice of the Owner's intent to sell the Unit and, upon closing of title, shall immediately provide the Association with the name and address of the new Owner.

Section 15.2 - Compliance With Restrictions And Rules And Regulations:

(a) From time to time, the Board of Trustees, by majority vote, shall adopt, modify and amend rules and regulations applicable to the use and operation of Units and appurtenant facilities. Such rules and regulations and the above restrictions shall be binding upon all Owners, tenants, members of their immediate families and their respective guests and employees.

ARTICLE XVI
INSURANCE COVERAGE

Section 16.1 - Maintenance Of Insurance Policies By The Association, Payment Of Premium Thereon As Part Of The Common Expenses.

(a) The Association shall obtain and maintain at all times insurance policies for the benefit of the Association as its interest may appear, as follows:

(i) Worker's compensation insurance;

(ii) Casualty insurance with extended coverage (all risks endorsement) for the full insurable value of all structures, improvements and other insurable Common Facilities based upon current replacement costs.

(iii) Comprehensive general liability insurance for the Association, each member of the Board of Trustees, the officers of the Association and employees of the Association with respect to the use and operation of the Property and with respect to any liability for any occurrence or negligent acts of commission or omission resulting in liability.

(iv) Such other insurance policies as the Board of Trustees from time to time may determine to be in the interests of the Association to maintain in accordance with sound and reasonable business practice and judgement.

ARTICLE XX
ENFORCEMENT

Section 20.1 - Methods. The Board of Trustees shall have the power, at its sole option, to enforce the terms of these By-Laws, the Declaration, or any Rule or Regulation promulgated pursuant thereto, in any lawful manner including, but not limited to any or all of the following:

- (a) Self-help.
- (b) By sending notice to the offending party to cause certain things to be done or undone.
- (c) Imposing fines in any reasonable amount and collecting same.
- (d) By restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof.
- (e) By instituting suit before any court as may be provided by law to restrain conduct, collect monetary damages, enforce any lien or seek any relief authorized in law or equity.

In the event the Association incurs any charges, attorney's fees or costs in its enforcement efforts, the Member in violation shall be responsible for such amounts.

Section 20.2 - Fines. The Board of Trustees shall have the right to levy fines in any reasonable amount permitted by law for violations of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Declaration or Bylaws of the Association. Each day a violation continues after notice shall be considered a separate violation. Any fines levied shall be deemed Assessments levied against the Member involved and collection may be enforced by the Board of Trustees in the same manner as collection of other Assessments. Fines may be levied against the Member's tenant and the Member shall be jointly and severally liable with his tenant for the payment of same. In the event the Board of Trustees institutes legal action for collection of any fines, then the defendants shall be responsible for payment of reasonable attorney's fees of the Association, plus interest and costs of suit.

Section 20.3 - Waiver. No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XXI
ARCHITECTURAL CONTROL COMMITTEE

Section 21.1 - Purpose. The Board of Trustees may establish an Architectural Control Committee ("ACC"), consisting of three Members appointed by the Board of Trustees, each to serve for a term of three years, to ensure that the Association shall always be maintained in a manner:

- (1) providing for visual harmony and soundness of repair;
- (2) avoiding activities deleterious to the aesthetic or property values of the Association;
- (3) furthering the comfort of the Members, their guests, invitees and lessees; and
- (4) promoting the general welfare and safety of the Association.

Section 21.2 - Powers. The ACC shall have such powers as delegated by the Board of Trustees which may, but need not, include regulating the design, appearance, use and maintenance of the Common Property, the exterior of all Units and other buildings, if any, located on Lots and otherwise within the Association, and all roadways, parking areas and landscaped areas in accordance with standards and guidelines contained in the Declaration, these Bylaws, any Rule and Regulation or as otherwise adopted by the Board of Trustees. All powers exercised by the ACC shall be subject to prior approval by the Board of Trustees.

Section 21.3 - Authority. The ACC shall have such additional duties, powers and authority as the Board of Trustees may from time to time delegate. The Board of Trustees may relieve the ACC or any Member of the ACC of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of the Board of Trustees.

ARTICLE XXII
ALTERNATE DISPUTE RESOLUTION

Section 22.1 - Alternate Dispute Resolution. The Association shall provide a fair and efficient procedure for the resolution of housing-related disputes between individual Owners and the Association and between Owners, which shall be readily available as an alternative to litigation using procedures promulgated by the Board of Trustees or as otherwise required by law.

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Section 22.2 - Judiciary Committee/Hearing Officer. The Board of Trustees may establish a Judiciary Committee or, alternatively, appoint a hearing officer as deemed necessary, to provide for the resolution of housing-related disputes which are not within the jurisdiction of the Architectural Control Committee. No current Member of the Board of Trustees may serve on the Judiciary Committee or serve as a Hearing Officer. The Judiciary Committee and/or hearing officer shall have such powers as delegated by the Board of Trustees. All powers exercised by the Judiciary Committee and/or Hearing Officer shall be subject to prior approval by the Board of Trustees.

Section 22.3 - Authority. The Judiciary Committee and/or Hearing Officer shall have such additional duties, powers and authority as the Board of Trustees may from time to time delegate. The Board of Trustees may relieve the Judiciary Committee and/or Hearing Officer or any Member of the Judiciary Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of the Board of Trustees.

Section 22.4 - Appeal To Board Of Trustees. Any action, ruling or decision of the Judiciary Committee or Hearing Officer may be appealed to the Board of Trustees by any party deemed by the Board of Trustees to have standing as an aggrieved party. A vote of a majority of the Board of Trustees may modify or reverse any such action, ruling or decision.

ARTICLE XXIII
MISCELLANEOUS

Section 23.1 - Notices. All notices to the Association shall be in writing and forwarded to it at its principal office by certified mail, return receipt requested.

Section 23.2 - Conflict. Anything to the contrary herein notwithstanding, if any provision of this instrument is in conflict with or contradiction of the Declaration, or with the requirements of any law, then the requirements of the Declaration or law shall be deemed controlling.

Section 23.3 - Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or affect in any manner the balance of the Bylaws.

Section 23.4 - Corporate Seal. The Association shall have a seal in the circular form having within its circumference the words "Hilltop at High Bridge Homeowners Association, Inc."

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Section 23.5 - Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural wherever the context so requires.

Section 23.6 - Compliance With Law. These By-Laws are intended to comply with the provisions of the Declaration and all applicable laws and regulations. If it is determined that any of the provisions of these By-Laws conflict with the provisions of the Declaration or any law or regulation, except where the provisions permit modification, the Declaration, law or regulation, as the case may be, shall control.

ARTICLE XXIV
TORT IMMUNITY

Section 24.1 Tort Immunity. The Association shall not be liable in any civil action brought by or on behalf of a Unit Owner to respond in damages as a result of bodily injury to the Unit Owner occurring on the Association's premises. Nothing in this provision shall be deemed to grant immunity to the Association for bodily injury caused by the Association's willful, wanton or grossly negligent act of commission or omission.