

Appendix C

BY-LAWS CLUSTER TWO ASSOCIATION OF OWNERS

ARTICLE I PURPOSE AND DEFINITIONS

Section 1. Purpose. The administration of Hilltop Place Cluster Two shall be governed by these By-Laws which are annexed to the Declaration of the said Condominium Cluster and are made a part hereof, and all present and future holders of any interest in any Condominium in said Cluster shall hold said interest subject to these By-Laws, as well as to the Declaration and the Condominium Rules promulgated thereunder and hereunder.

Section 2. Definitions. Certain of the terms used in these By-Laws have been defined in the Declaration and, when used herein, shall have the same meaning as set forth in the Declaration, unless the context clearly indicates a different meaning therefor.

ARTICLE II BOARD OF DIRECTORS

Section 1. Number. The affairs of the Cluster shall be administered by a Board of not less than three (3) and not more than five (5) Directors as determined by the members at any meeting where Directors are elected. (As Amended 27 October 1983 Book 1458 Page 0770)

Section 2. Qualification. Until the Declarant has sold all of the Condominium in Cluster Two or until September 30, 1973, whichever shall first occur, and thereafter until their successors have been duly elected by the Owners, the Declarant, or representatives of the Declarant shall hold all of the positions of Directors. The Declarant shall have the option at any prior time to relinquish said positions, in which case he will notify all Unit Owners of a Special Meeting (Articles III, Section 2) for the purpose of election of Directors. Thereafter the Board shall be elected by the Owners shall consist only of Owners or their spouses in residence (except where a corporation is an Owner and the members of the Board of Directors and officers of said corporation shall be eligible to the members of the Board) and the residence of a least one of the Directors shall be in the Cluster. (As Amended 6 June 1973 Book 1178 Page 420/1 and 16 June 1975 Book 1251 Page 399-404)

Section 3. Election and Term. At the first meeting of the Cluster Two Association of Owners after the Declarant has sold all of the condominiums in the Cluster or has relinquished its positions on the Board or after September 30, 1973, whichever shall first occur, the Owners shall elect three (3) members of the Board, one (1) for a term of three (3) years, one (1) for a term of two (2) years, and one (1) for a term of one (1) year. If said election occurs at a special

meeting rather than at an annual meeting of the Association, then each of said terms shall also include the period between the date of said special meeting and date of the next annual meeting of the Association. At the expiration of each of the aforementioned initial terms of office, a successor shall be elected for a term of three (3) years. A person may succeed himself as Director.

Section 4. Resignation and Removal; Vacancies. Any member of the Board may resign at any time by written notice by him or by his legal representative to the Chairman of the Board, and any member may be removed from such position by two-thirds (2/3) vote of the Owners' total voting power at any annual or special meeting provided that notice of such removal vote shall have been mailed to all Owners at least twenty (20) days prior to such meeting, and provided that until September 30, 1973, no such removal proceedings may be initiated without the prior written approval of Declarant. Members of the Board shall serve until their respective successors have been elected, or until death, resignation or removal; provided that if any member (or any member's corporation) ceases to be an Owner, his membership on the Board shall thereupon terminate. Whenever a vacancy on the Board occurs due to death, resignation, removal or a member's (or a member's corporation) no longer being an Owner, or due to any other cause, the remaining members of the Board shall fill the vacancy by appointment until the next annual meeting of the Association at which time, any remaining unexpired term shall be filled by the Owners by election. If all three (3) positions on the Board are vacant at the same time, the Owners shall fill said vacancies.

Section 5. Meetings. Regular meetings of the Board may be held at such times and places as shall be determined from time to time by the Board. Special meetings of the Board may be called by the Chairman of the Board or by any two (2) members of the Board. Notice of regular and special meetings shall be given in writing in hand or mailed to each member of the Board at least seven (7) days prior to said meeting. The said notice shall set forth the time and place of the meeting and, in the case of a special meeting, the purpose for which it is being called. Such notice may be omitted provided that all members of the Board waive same in writing or are present at the meeting and no notice shall be necessary in the case of a meeting of the Board held immediately after and at the same place as the annual meeting of the Owners.

Section 6. Quorum. A majority of the Board shall constitute a quorum for the transaction of business, but less than a quorum may transact business if the remaining members of the Board subsequently assent in writing to the decision of the Board by signing a copy of the minutes of the meeting, to be filed with the records of the Board. When a quorum is present at any meeting the votes of a majority of the members in attendance shall decide any business brought before such meeting. The Board may also transact without a meeting any business which it is authorized to transact at a meeting, provided that the members of the Board unanimously assent in writing to the decisions of the Board concerning such business by signing the official record of said decisions to be filed with the records of the Board.

Section 7. Powers and Duties. The Board shall have the powers and duties specifically conferred upon it by the Act, the Declaration and these By-Laws and all other powers and duties necessary for the administration of the affairs of Cluster Two, except as otherwise provided by law, the Declaration or these By-Laws, including, without limiting the generality of the foregoing, the power and duty to obtain the following items for the benefit of Cluster Two, all of which items shall be paid for out of Common Expenses:

- (a) Trash and garbage collection, snow removal from the Common Area, from the parking spaces in the Limited Common Area, and if necessary from the private access road, water, electrical, telephone and gas and other necessary utility service for the Common Area (and, to the extent not separately metered or charged, for the Units);
- (b) A policy or policies of fire insurance, with extended coverage endorsements, as required by Paragraph 7 of the Declaration;
- (c) A public liability insurance policy or policies as required by Paragraph 7 of the Declaration;
- (d) Such other insurance, including Workmen's Compensation Insurance, as required by law or as the Board may determine;
- (e) The services of a Manager, to the extent deemed advisable by the Board, to whom the Board, in its discretion, may delegate certain of its power and duties, as well as services of any other personnel as the Board may determine to be necessary or proper for the operation of Cluster Two, whether such personnel are employed directly by the Board or are furnished by the Manager;
- (f) Any legal and accounting services necessary or proper for the operation of Cluster Two or the enforcement of the provisions of the Act, the Declaration, these By-Laws and the Condominium Rules;
- (g) A fidelity bond or bonds, or other security, may be required of agents, contractors, officers, employees or associates, as the Board of Directors may deem expedient. (As Amended 30 November 1973 Book 1229 Page 235/7 and 6 June 1975 Book 1251 Page 399/404)
- (h) Such painting, maintenance, repair and all landscaping of the Common Area and Limited Common Area as the Board shall determine are necessary or proper;
- (i) Such furnishings, tools, equipment, appliances, and other personal property for the Common Area as the Board shall determine are necessary or proper, and the

Board or Manager shall have the exclusive right and duty to acquire the same for the Common Area;

- (j) Any other materials, supplies, labor, services, maintenance, repairs structural alterations, insurance, taxes or assessments which the Board is required to secure or pay for pursuant to the terms of the Declaration, these By-Laws or by law or which in its opinion shall be necessary or proper for the operation of the Common Area, for the Limited Common Area, or for the enforcement of the Declaration or of these By-Laws, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessment are provided for particular Units, the cost thereof shall be specially assessed to the Owners of such Units.

The Board's power shall be limited in that it shall have no authority to acquire and pay for out of Common Expenses capital additions and improvements or structural alterations (other than for purposes of replacing portions of the Common Area, subject to the provisions of the Declaration) having a cost in excess of One Thousand Dollars (\$1,000) unless such additions, improvements or alterations have been approved by a majority of the Owners' total voting power.

The Board shall have the exclusive right to contract for all such goods, services and insurance referred to in this Section 7, which right may be delegated by it.

- (k) Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Area or preserve the appearance and value of Cluster Two, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner, provided that the Board shall levy a special assessment against said Owner for the cost of said maintenance or repair.
- (l) Any emergency repairs to any Unit necessary to prevent damage to other parts of Cluster Two.

Section 8. Delegation of Powers, Duties, and Administrative and Managerial Functions. All of the powers, duties and administrative and managerial functions of the Board of Directors and the Treasurer as set forth in Article II, Section 7, Article IV, Section 4 and Article V, Section 3 of these By-Laws and in Paragraphs 4 and 11 of the Declaration are hereby delegated to the Hilltop Place Community Association. All of the functions, powers, rights and prerogatives of the Board of Directors and of the Owners not specifically set forth in the sections listed in the preceding sentence shall continue to be exercised by the Board of Directors and the Owners as

provided in the Declaration and in these By-Laws. (As Amended 16 June 1975 Book 1251 Page 399/404 and 19 July 2007 Book 3004 Page 1162)

ARTICLE III
MEETINGS OF THE ASSOCIATION OF OWNERS

Section 1. Annual Meeting. Commencing in 2002 the Annual Meeting of the Cluster Two Association of Owners shall take place on the fourth Monday of June each year at 10:00 AM at the Cluster or at such other reasonable place or time (not before June 1 or after June 30) as may be designated by written notice of the Board mailed or delivered to the Owners of record not less than thirty (30) days prior to the date fixed for said meeting. In addition to other business to be transacted at the annual meeting, the Board shall present a statement of the Common Expenses and of any special assessments, itemizing receipts and estimated disbursements for the preceding fiscal year, the allocation thereof to each owner, and the estimated Common Expenses for the current fiscal year beginning June 1. Within ten (10) days after the annual meeting, a copy of the minutes of said meeting, including a copy of said statement shall be mailed or delivered to all the Owners. The aforesaid notice may be omitted provided that all the Owners are present at the meeting, or those not present waive said notice in writing after receiving the aforesaid minutes or provided that the said meeting is actually held on the fourth Monday of June commencing at or shortly after 10:00 AM. (As Amended 27 October 1983 Book 1458 Page 770 and 10 June 2002 Book 2391 Page 978)

Section 2. Special Meetings. Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, these By-Laws or the Act require the approval of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Board, or by the Owners having one-third (1/3) of the Owners' total voting powers and mailed or delivered to all Owners of record not less than twenty (20) days prior to the date fixed for said meeting. Said notice shall specify the date, time and place of the meeting, and the purpose for which it is being called. Such notice may be omitted provided that all of the Owners are present at the meeting, or those not present waive such notice after receiving a copy of the minutes of said meeting.

Section 3. Quorum. At any meeting of the Association, the presence in person or by proxy of Owners holding at least one-half (1/2) of the Owners' total voting power shall constitute a quorum, but less than a quorum may transact business if all of the Owners are not present subsequently assent to the decisions made at said meeting by signing a copy of the minutes thereof to be filed with the records of the Association. When a quorum is present, unless otherwise provided in the Declaration, these By-Laws or the Act, a majority of Owners' total voting power present in person or by proxy shall decide any business brought before the meeting.

Section 4. Voting. At any meeting of the Association, each Owner, including Declarant shall be entitled to cast a number of votes equal to his percentage of undivided interest as shown on Appendix B to the Declaration. Any Owner may attend and vote at such meeting in person, or by proxy (by instrument in writing signed by the Owner and filed with the Board). Where there is more than one record Owner of the same Condominium, any or all of such persons may attend any such meeting, but it shall be necessary for said persons to act unanimously in order to cast the votes to which they are entitled. Any designation of proxy must be signed by all such persons. Declarant shall be entitled to vote with respect to any Condominium Unit owned by Declarant. In addition to the above proxy provisions an Owner may assign his right to vote to any first mortgagee of record.

ARTICLE IV OFFICERS OF THE ASSOCIATION

Section 1. General. The officers of the Association shall be a Chairman of the Board, a Secretary of the Board and a Treasurer, all of whom shall be elected annually by, and may be removed and replaced by, the Board. During the period that the Declarant holds all of the positions of members of the Board, Declarant, in its discretion, may also hold any other offices of the Association. The Board may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in its discretion may be necessary. The Chairman of the Board must be a member of the Board.

Section 2. Chairman of the Board. The Chairman of the Board shall preside at meetings of the Association and meetings of the Board and shall have such other powers and duties as are provided in the Declaration, these By-Laws or by law and as are ordinarily exercised by the presiding officer of an association, including the appointment of committees from among the Owners, and as may be delegated to him by the Board or the Association from time to time.

Section 3. Secretary of the Board. The Secretary of the Board shall record the proceedings of meetings of the Board and of meetings of the Association, shall keep such records and all other records, documents and other papers of the Board and of the Association and shall have such other powers and duties as may be delegated to him by the Board or the Association from time to time.

Section 4. Treasurer. The Treasurer shall be responsible for the funds of the Association and shall be responsible for keeping or having kept full and accurate financial records and books of account showing all receipts and disbursements of the Association and any other financial data required by the Board or by the Association. He shall be responsible for the deposit of all funds in the name of the Board or the Association in such depositories as may be designated by the Board from time to time and shall have such other powers and duties as may be delegated to him by the Board or the Association from time to time. (As Amended 16 June 1975 Book 1251 Page 399/404)

ARTICLE V
COMMON EXPENSES

Section 1. Fiscal Year. The fiscal year of the Association shall be a twelve (12) month period running from June 1 to May 31 of each year.

Section 2. Assessment. Commencing in 1973, on or prior to the annual meeting, the Board shall estimate the Common Expenses to be required during the twelve (12) month period commencing the following June 1 (which may include a reasonable provision as a reserve for contingencies and replacements). The Common Expenses shall also include any amounts necessary to make up any deficit for said fiscal year just ending, the purchase of a Condominium Unit by the Association pursuant to Section 4 of this Article, any amounts required by the excess of repair and restoration costs over insurance proceeds pursuant to Paragraph 7(c) (i) of the Declaration and any other amounts required by the terms of the Declaration, these By-Laws or the Act. A statement of said estimated Common Expenses shall be submitted to the annual meeting of the Association and shall be subject to approval at said meeting. Approval of said statement of estimated Common Expenses shall be by two-thirds (2/3) vote of the Owners' total voting power present and voting at the meeting. Common Expenses shall be assessed by the Board to the Owners as of the following June 1, pursuant to the percentages set forth in Appendix B to the Declaration. Declarant will be liable for the amount of any assessment against completed Units owned by Declarant. If said estimated sum proves inadequate for any reason, including nonpayment of any Owners' assessment, the Board may at any time levy a further assessment which shall be assessed to the owners according to the aforementioned percentages, subject to approval at a special meeting of the Association called for the purpose by vote of two-thirds (2/3) of the Owners' total voting power present and voting at such meetings. Each Owner shall be obligated to pay the assessments made against him to the Board, and such payments shall be due to equal monthly installments on or before the first day of each month during the twelve (12) month period commencing with the following June 1, or in such other reasonable manner as the Board shall designate. (As Amended 16 June 1975 Book 1251 Page 399/404 and 1 October 1976 Book 1283 Page 291-94)

The failure of the Board to recommend or the Association to fix the assessments for such a twelve (12) month period prior to the commencement of such period shall not be deemed a waiver or modification in any respect of the provisions hereof, or a release of the Owners from the obligation to pay the assessments, or any installment thereof for such period, but the assessment fixed for the preceding twelve (12) month period shall continue until a new assessment is fixed. No Owner may exempt himself from liability for his assessment for the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Unit.

During the period ending on May 31, 1973, each Owner shall be liable for an annual assessment equal to his percentage of undivided interest as shown in Appendix B of the

Declaration multiplied by the annual Common Expenses which shall be \$17,952.00 per year. One-twelfth (1/12) of the annual assessment is due and payable on June 1, 1972 or on the first day of the month following the month during which any Owner received title to his Unit, and on the first day of each month thereafter.

Section 3. Records. The Treasurer or the Manager shall keep detailed accurate records in chronological order, of the receipts and expenditures by the Association for Cluster Two, specifying and itemizing the maintenance and repair expenses and any other expenses incurred. Said records shall be available for examination by the Owners, or their agents, at convenient times.

Section 4. Default in Payment of Assessments. Each monthly assessment of Common Expenses, and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed and shall be collectible as such. Suit to recover money judgments for unpaid Common Expenses and unpaid special assessments shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any monthly assessment or special assessment against any Owner plus interest at twelve per cent (12%), and costs, including reasonable attorneys' fees, shall constitute a lien upon the Condominium as provided in Section 22 of the Act, and the Owner shall be liable for such interest and any such costs, in addition to such assessment, provided that such interest and costs may be waived by the Board in any specific instance in its sole discretion. Such lien for nonpayment of assessment may be enforced by sale by the Board, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in mortgages. In any such sale or foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorneys' fees. Upon the foreclosure of the lien for assessments against any Owner, the Owner shall immediately vacate the Condominium and if he fails to do so he shall be liable for a reasonable rental while he remains in possession thereof. The Board shall have the power to purchase the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium thereafter.

Section 5. Surplus. In the event in any fiscal year of a surplus of Owners' payments for Common Expenses over the actual Common Expenses (including the reserve, if any, for contingencies and replacements), the Owners, by majority vote, at the annual meeting of the Association held at the end of that fiscal year shall determine the use to which such surplus shall be put. If the Owners fail to vote the disposition of any such surplus, then the Board shall determine the disposition of the surplus. The disposition of the surplus may include adding the surplus to any reserve for contingencies and replacements which may exist, using the surplus to reduce the assessment for Common Expenses for the following fiscal year, refunding the surplus to the Owners in accordance with the percentage of undivided interest of each Owner or any other use which the Owners or the Board, as the case may be, may decide. (As Amended 1 October 1976 Book 1283 Page 292)

ARTICLE VI
MISCELLANEOUS

Section 1. Posting of Names of Officers. The Board shall be responsible for the posting of the names of the current members of the Board and of the other officers of the Association, from time to time, at a location in the Community Association building, "Hilltop House."

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforce ability or effect of the balance hereof or of the Declaration.

Section 3. Gender. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate its purpose of created a uniform plan for the development and operation of a Condominium Project.

Section 5. Amendment. The By-Laws may be amended in the same manner as set forth in Paragraph 23 of the Declaration.