

**BYLAWS
OF
SHELTON PLACE OWNERS ASSOCIATION
FOR
SHELTON PLACE AT LESLIE FARMS, A CONDOMINIUM**

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ARTICLE I

Introductory Provisions

1.1. Applicability. These Bylaws provide for the governance of the Shelton Place at Leslie Farms Owners Association created by the recording of the Declaration of Condominium for Shelton Place at Leslie Farms, a Condominium, part of Leslie Farms, a Planned Community, in the office of Recorder of Deeds of Butler County, Pennsylvania at Instrument No. _____, pursuant to the requirements of Section 3306 of the Pennsylvania Uniform Condominium Act ("the Act").

1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Condominium Declaration or, if not defined therein, the meanings specified or used for such terms in the Act.

1.3. Compliance. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

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

ARTICLE II

The Condominium Association

2.1. Composition. The Condominium Association is hereby organized on the date hereof as a non-profit corporation. The Condominium Association shall consist of all of the Unit Owners in Shelton Place at Leslie Farms, a condominium, acting as a group in accordance with the Act, the Condominium Declaration and these Bylaws. The Condominium Association shall have the responsibility of administering the Shelton Place at Leslie Farms Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Shelton Place at Leslie Farms Condominium and performing all of the other acts that may be required or permitted to be performed by the Condominium Association pursuant to the Act and the Condominium Declaration. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

2.2. Annual Meetings. An annual meeting of the Condominium Association shall be held each year in the same month as the first meeting of the Unit Owners at a date and time to be designated by

the Executive Board. The Executive Board will consist of three Members of the Condominium.

2.3. Place of Meetings. Meetings of the Condominium Association shall be held at the principal office of the Condominium Association or at such other suitable place convenient to the Unit Owners as may be designated by the Executive Board.

2.4. Special Meetings. The President shall call a special meeting of the Condominium Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least twenty-five percent (25%) of the votes in the Condominium Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five (45) days after receipt by the President of said resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure pursuant to Section 5.9 below, such meeting shall be held within fifteen (15) days after receipt by the President of said resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

2.5. Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the Condominium Association at least five (5) but not more than sixty (60) days, and of each special meeting of the Lot Owners at least three (3) but not more than forty-five (45) days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 9.1 of these Bylaws shall be considered service of notice. The Notice of Meeting must state the time and place of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Condominium Declaration or bylaws, any budget or assessment changes and any proposal to remove an Executive Board Member or officer.

2.6. Adjournment of Meetings. If at any meeting of the Condominium Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

2.7. Voting.

(a) In General. Voting at all meetings of the Condominium Association shall be on a Unit basis, with each Unit Owner entitled to one (1) vote.

(b) Multiple Owners. Where the ownership of a Unit is in more than one Owner, the Owner who shall be entitled to cast the vote of such Unit shall be the Owner named in a certificate executed by all of the Owners of such Unit and filed with the Secretary (the "Designated Owner"). Such certificate shall be valid unless revoked by a subsequent certificate similarly executed. In the absence of such named Designated Owner from the meeting, the Owner who shall be entitled to cast the vote of such Unit shall be the Owner owning such Unit who is present. If the Designated Owner is not present, and more than one other Owner or Owners owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be

unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Any certificate executed by all Unit Owners shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by owners of a Unit in the same manner as a deed is required, and subject to the provisions of the Act, the Condominium Declaration and these Bylaws, wherever the approval or disapproval of a Unit owner is required by this subpart, the Condominium Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Condominium Association.

(c) Ownership by an Entity other than an Individual. If the Owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such Unit shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the Owner of a Unit is a trust, the trustee or trustees shall be deemed to be the Owner for the voting purposes, however the trustees shall designate one (1) trustee to cast the vote of such Unit. The natural person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the secretary or, in the absence of such named person from the meeting of the failure to execute and file such a certificate, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one of the multiple Owners is present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement unless the Condominium Declaration expressly provides otherwise. There shall be deemed to be unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by owners of a Unit in the same manner as a deed is required, and subject to the provisions of the Act, the Condominium Declaration and these Bylaws, wherever the approval or disapproval of a Unit owner is required by this subpart, the Condominium Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Condominium Association.

(d) Votes Required. Except where a greater number is required by the Act, the Condominium Declaration or these Bylaws, the Owners of more than fifty percent (50%) of the aggregate number of Units, voting in person or by proxy at one time at a duly convened meeting at which a quorum is present, is required to adopt decisions at any meeting of the Condominium Association.

(e) Elections. The Condominium Association will hold elections in which the representatives who will make up the Condominium Association Executive Board will be elected.

(f) Declarant's Votes. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Condominium Association to cast the votes to which such Unit or Unit are entitled.

(g) Condominium Association Votes No votes allocated to a Unit owned by the Condominium Association may be cast:

(h) Cumulative and Class Voting. There shall be no cumulative or class voting.

2.8. Election by Mail. All matters which might be voted upon at a meeting of the Unit Owners may also be submitted to the Unit Owners by a mail ballot. The Executive Board shall prepare for distribution an official ballot form and shall circulate a ballot to each Unit Owner authorized to vote pursuant to Section 2.7 above as if a meeting were being held on the date of the ballot. All Unit Owners shall be required to execute the ballot unless a certificate has been filed with the Secretary naming Designated Owner. Ballots shall be distributed and counted in accordance with Rules and Regulations to be adopted by the Executive Board.

2.9. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner or in case of multiple Owners, by the Designated Owner, in favor of only another Unit Owner, a Permitted Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one (1) year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.10. Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of fifteen (15%) percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Condominium Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Condominium Association if persons entitled to cast ten percent (10%) of the votes are present in person or by proxy at the beginning of the meeting.

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

ARTICLE III

Executive Board

3.1. Number and Qualification. The affairs of the Condominium Association shall be

governed by an Executive Board. The Executive Board shall consist of three Unit Owners in the Condominium.

3.2. Delegation of Powers; Managing Agent. The Executive Board may employ for the whole Condominium a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Condominium Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Condominium Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Condominium Declaration and these Bylaws other than the following powers:

- (a) to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- (b) to adopt, repeal or amend Rules and Regulations;
- (c) to designate signatories on Condominium Association bank accounts;
- (d) to borrow money on behalf of the Condominium Association;
- (e) to acquire and mortgage Lots; and
- (f) to allocate Limited Common Elements .

Any contract with the Managing Agent must provide that it maybe terminated with cause on no more than thirty days' written notice and without cause on no more than ninety (90) days written notice. The term of any such contract may not exceed one (1) year.

3.3. Election and Term of Office.

(a) Elections may also be held by mail as set forth in Section 2.8 hereinabove. At the first annual meeting, the representatives will be elected for a one (1) year term. Thereafter, the term of office of any Condominium Association Representative shall be shall be three (3) years. The terms of the three representatives shall be staggered in accordance with the provisions of the Condominium Declaration. The representatives shall hold office until the earliest to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board Member may serve an unlimited number of terms and may succeed himself

(b) Notwithstanding the foregoing, if any meeting required pursuant to subparagraph (a) above could be held on the date an annual meeting of the Condominium Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

(c) Persons qualified to be Condominium Association Representative on the Executive Board may be nominated for election only as follows:

(1) Any Member Unit Owner shall submit to the Secretary of the Association, at least thirty (30) days before the meeting at which the election is to be held, a nominating petition signed by Unit Owners owning at least two Unit in the aggregate, together with a statement that the person nominated is willing to serve as a Condominium Association Representative on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting; and

(2) Nominations may be submitted from the floor at the meeting at which the election is held for the Condominium Association Representative for which no more than one person has been nominated by petition; and

(3) In the event an election is held by mail, nominations shall be submitted by mail not less than forty-five (45) days prior to the date selected for the election and shall be accompanied by a biographical sketch. The Executive Board shall mail an official ballot, together with a copy of the biographical information, to all Unit Owners not less than twenty (20) days prior to the date set for the election. Ballots may be returned in person or by mail up to 5:00 p.m. on the date set for the election.

3.4. Removal or Resignation of Members of the Executive Board.

(a) Except with respect to Members designated by Declarant, at any regular or special meeting of the Association duly called, a Condominium Association Representative may be removed with or without cause by a two-thirds (2/3) vote of persons present and entitled to vote at any meeting of the Members at which a quorum is present. A successor may then be elected to fill the vacancy. Any Unit Owner proposing removal of the Representative shall give notice thereof to the Secretary. Any Representative whose removal has been proposed by a Unit Owner shall be given at least ten (10) days notice by the Secretary of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

(b) A Representative may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit, or upon termination of his relationship with the Unit Owner if the Unit Owner is other than a person. Declarant shall have the right to remove and replace any or all Members appointed by Declarant at any time and from time to time until the required resignation date specified in the Condominium Declaration.

3.5. Vacancies. A Representative vacancy caused by any reason other than the removal of a Member by a vote of the Unit Owners shall be filled by a vote of the majority of the Executive Board Members at a special meeting of the Association Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the Members present at such meeting may constitute less than a quorum. Each person so elected shall be a Representative for the remainder of the term of the Representative being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon

expiration of the term of his predecessor.

3.6. Organization Meeting. An organizational meeting for the Executive Board will be held once a year.

3.7. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the Members, but such meetings shall be held at least once each fiscal year. Notice of regular meetings of the Executive Board shall be given to each Member, by mail or facsimile, at least five (5) business days prior to the day named for such meeting.

3.8. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three (3) business days' notice to each Member, given by mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Members of the Executive Board.

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

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

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

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

3.13. Action Without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting if all of the Members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board. Action may also be taken by conference, telephone or similar electronic means where all Board Members can participate simultaneously.

3.14. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Condominium Association and one or more of its Executive Board Members or between the Condominium Association and any corporation, firm, or Condominium Association in which one or more of the Executive Board Members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board Member or Members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that an Executive Board Member is also such a director or officer or has such financial interest is disclosed or known to the Executive Board and is noted in minutes, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board Member or Members with a financial interest; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Condominium Association at the time it is authorized, approved or ratified.

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

ARTICLE IV

Officers

4.1. Designation. The principal officers of the Condominium Association shall be the President, the Secretary and the Treasurer, all of whom shall be Members of and elected by the Executive Board. The offices of Secretary and Treasurer may be held by one person. The Executive Board may appoint a vice-president, assistant treasurer, assistant secretary and such other officers as in its judgment may be necessary.

4.2. Election of Officers. The officers of the Condominium Association shall be elected annually by the Executive Board at the yearly organizational meeting of the Board and shall hold office at the pleasure of the Executive Board.

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

4.4. President. The President shall be the chief executive officer of the Condominium Association, shall preside at all meetings of the Condominium Association and of the Executive Board and have all of the

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

4.5. Vice President. The Vice President (if any) shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint another Member of the Executive Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Condominium Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit Owners and holders of mortgagees on any Unit hereunder shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide any person, or cause to be provided, to any person entitled thereto a written statement or certification of the information required to be provided by the Condominium Association pursuant to Sections 3315(h) and 3407(b) of the Act and Sections 5.10 and 5.12 below, upon payment of the fee set by the Executive Board for such service.

4.7. Treasurer. The Treasurer shall have the responsibility for the safekeeping of Condominium Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Executive Board, the Condominium Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.

4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium Association for expenditures or obligations in excess of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) shall be executed by two officers of the Condominium Association. All instruments for expenditures or obligations of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) or less may be executed by any one officer of the

Condominium Association.

4.9. Compensation of Officers. No officer who is also a Member of the Executive Board shall receive any compensation from the Condominium Association for acting as such officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE V

Common Expenses; Budgets

5.1. Fiscal Year. The fiscal year of the Condominium Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Condominium Declaration.

5.2. Preparation and Approval of Budget.

(a) On or before the first day of December of each year (or thirty (30) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt any annual budget for the Condominium Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements controlled by the Condominium Association and those parts of the Unit as to which it is the responsibility of the Executive Board to maintain, repair and replace and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Condominium Declaration, these Bylaws or a resolution of the Condominium Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate Common Expenses.

(b) On or before the fifth day of December (or twenty (20) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Condominium Association office and at least thirty (30) days prior to the annual meeting, shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Lot Owners' assessments for the Condominium Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.9 below.

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

5.3. Assessment and Payment of Common Expenses.

(a) Common Expenses. The Executive Board shall calculate the assessment for Common Expenses for each Unit based on the undivided interest of each unit in the Common Areas. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner an itemized account of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

(b) Supplemental Assessments. If the Executive Board determines that the estimate of total charges for the current fiscal year is, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of the inadequacy. Subject to the provisions of Section 5.4, the Board shall have the authority to levy, at any time by a majority vote, a supplemental assessment reflecting a revision of the total Common Assessment. Written notice of any change in the amount of Supplemental Assessments levied by the Condominium Association through the Board shall be given to all Unit Owners not less than thirty (30) days prior to the effective date of such Supplemental Assessment.

(c) Limited Expenses. The Executive Board shall calculate the monthly assessments for Limited Common Expenses, if any, against each Unit obligated to pay Limited Common Expenses by multiplying (i) the total amount of the estimated funds required for Limited Common Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from the operation of the Limited Common Elements to which the Limited Common Expenses pertain other than Limited Common Expense Assessments by (ii) the share of Limited Common Expenses (expressed in decimal form) allocated to each such Unit. Such assessments shall be due and payable on the thirtieth day after adoption and shall be a lien against each Unit Owner's Lot as provided in the Act and the Condominium Declaration. Within one hundred twenty (120) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each Permitted Mortgagee who has registered an address with the Secretary an itemized accounting of the Limited Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Limited Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners obligated to pay Limited Expenses in accordance with their allocable share of Limited Common Expenses and shall be payable as the Executive Board may determine.

(d) Reserves. The Executive Board may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's Assessments, the Executive Board

may at any time levy further Assessments which shall be assessed against the Unit Owners according to their respective Percentage Interests with regard to Common Expenses and shall be payable as the Executive Board may determine. Payments for said purposes may be classified as capital contributions at the discretion of the Board.

(e) Assessments as Liens. All Assessments will become due and payable as set forth above. If not paid within ten (10) days after the due date, the Assessment shall be a lien against such Unit Owner's Unit as provided in the Act and the Condominium Declaration.

5.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further Assessments pursuant to Sections 5.3(a), (b) or (c) or otherwise as permitted or required by the Act, the Condominium Declaration and these Bylaws, including, but not limited to, the right to levy fines, by a statement in writing giving the amount and reasons therefore, and such further Assessments shall, unless otherwise specified in the notice, become effective immediately and due thirty (30) days after the delivery of such notice of further Assessments. All Unit Owners so assessed shall be obligated to pay the amount of such Assessments. Such Assessments shall be a lien as of the effective date as set forth in the preceding Sections.

5.5. Fines. The Executive Board shall have the power to levy fines as set forth in the Act, which shall be considered as a further Assessment against the Unit as set forth in Section 5.4 hereof.

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

5.7. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each annual Assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.8. Accounts. All sums collected by the Executive Board with respect to Assessments against the Unit Owners or from any other source may be commingled into a single fund. Reserves shall be maintained in a separate fund, although different types of reserves may be commingled in one fund. All books and records of the Condominium Association shall be kept in accordance with good and accepted accounting practices, and the same shall be reviewed and a compilation prepared at least once each year by an independent accountant retained by the Executive Board.

5.9. Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Condominium Association, by two-thirds (2/3) vote of all votes in the Condominium Association, may reject any budget or capital expenditure approved by the

Executive Board, within thirty (30) days after approval by the Executive Board. The power of the Executive Board to expend funds, incur expenses or borrow money on behalf of the Condominium Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds (2/3) of the votes in the Condominium Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (i) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than ten percent (10%) of such aggregate amount after taking into account any projected increases in income, and (ii) to borrow money so that loans of the Condominium Association then outstanding would exceed ten percent (10%) of such aggregate amount.

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

5.11. Collection of Assessments. The Executive Board, or the Managing Agent at the request of the Executive Board, shall take prompt action to collect any Assessments due from any Unit Owner which remain unpaid for more than ten (10) days from the due date for payment thereof. Any Assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of four percent (4%) of the overdue Assessment in addition to interest at the rate of eight percent (8%) per annum (or such other rate as may be determined by the Executive Board) on the amount of the unpaid Assessment through date of payment.

5.12. Statement of Common Expenses. Upon request, the Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee with a written statement of all unpaid Assessments due. Further, the Executive Board may charge a reasonable fee for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

5.13. Surplus. Any amounts accumulated from Common Assessments and income from the

operation of the Common Elements, other than Limited Common Elements with regard to which Limited Expenses are assessed, in excess of the amount required for actual Common Expenses and reserves for future Common Expenses shall be credited to each Unit in accordance with such Lot's interests in Common Elements. These credits will be applied, unless the Condominium Declaration provides otherwise, to the next annual Common Assessments against that Unit under the then current fiscal year's budget and thereafter, until exhausted. Any amounts accumulated from Assessments for Limited Expenses and income from the operation of Limited Common Elements to which such Limited Expenses pertain in excess of the amount required for actual Limited Expenses and reserves for future Limited Expenses shall be credited to each Unit assessed for a share of such Limited Expenses in proportion to the share of such Limited Expenses so assessed. These credits will be applied, unless the Condominium Declaration provides otherwise, to the next monthly Assessments of Limited Expenses against that Unit under the then current fiscal year's budget, and thereafter, until exhausted.

5.14. Negligence. If any Common Expense is caused by the negligence or misconduct of any Unit owner, the Condominium Association may assess that expense exclusively against his Unit.

ARTICLE VI

Compliance and Default

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

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner under the Condominium Declaration, these Bylaws, the Rules and Regulations or the Act, the Condominium Association shall be entitled to recover the reasonable costs and expenses of the Condominium Association, including attorney's fees.

(c) No Waiver of Rights. The failure of the Condominium Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which

may be granted by the Condominium Declaration, these Bylaws, the Rules and Regulations or the Act shall not constitute a waiver of the right of the Condominium Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Condominium Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Condominium Declaration, these Bylaws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Condominium Declaration, these Bylaws, the Rules and Regulations or the Act or at law or in equity.

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

(e) Termination of Services. The Condominium Association shall have the right to terminate any services which it performs or provides to or for a Unit Owner, including utility service to individual Lots, in the event of delinquency. Prior to termination of any service, the Executive Board shall give at least ten (10) days written notice and an opportunity to appear at a meeting of the Executive Board to any delinquent Unit Owner.

(f) Suspension of Voting Rights. Any Unit Owner who is more than thirty (30) days delinquent at the time of the annual meeting shall not be permitted to vote at any meeting or mail ballot.

ARTICLE VII

Amendments

7.1. Amendments to Bylaws. These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the Condominium Association, except as otherwise expressly set forth herein or in the Act or Declaration; provided, however, that until the date on which all Declarant-appointed Board Members voluntarily resign or are required to resign pursuant to the Condominium Declaration, (i) Section 3.4, (ii) Section 3.1, and (iii) this Section 7.1 may not be amended without the consent in writing of Declarant. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Condominium Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage

Condominium Association or the Federal Home Loan Mortgage Corporation with respect to Condominium projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

7.2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of Eligible Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Permitted Mortgagees on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws substantially impairing or affecting the rights, priorities, remedies or interests of a Permitted Mortgagee shall be adopted without its or their prior written consent.

ARTICLE VIII

Maintenance, Repair, Replacement and Other Common Expenses

8.1. By the Condominium Association. The Condominium Association shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of the Executive Board such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements as defined herein or in the Condominium Declaration, whether located inside or outside of the Unit, the cost of which shall be charged to all Unit Owners as a General Common Expense.

ARTICLE IX

Miscellaneous

9.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, postage prepaid, (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Unit Owner, or (ii) if to the Condominium Association, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

9.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any

provision thereof.

9.3 Capitalized Terms. Capitalized Terms not otherwise defined herein shall be defined as set forth in the Condominium Declaration or in the Act, as applicable.

9.3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, these Bylaws have been adopted this _____ day of _____, 2010.

**SHELTON PLACE OWNERS ASSOCIATION
FOR SHELTON PLACE AT LESLIE FARMS,
A CONDOMINIUM**

BY: _____

NAME: _____

TITLE: _____