

BY-LAWS OF THE
GRANDVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

A PENNSYLVANIA NON-PROFIT CORPORATION

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BY-LAWS OF THE GRANDVIEW ESTATES
HOMEOWNERS ASSOCIATION, INC.
A PENNSYLVANIA NONPROFIT CORPORATION

ARTICLE I
NAME AND ADDRESS

SECTION 1.01 - Name. The name of this corporation shall be "THE GRANDVIEW ESTATES HOMEOWNERS ASSOCIATION, INC."

SECTION 1.02 - Address. The registered office of this corporation shall be at the place designated in the Articles of Incorporation, subject to transfer upon notice to the Secretary of State of the Commonwealth of Pennsylvania as may be permitted by law.

ARTICLE II
APPLICABILITY

SECTION 2.01 - Applicability. These By-Laws shall be applicable to the GRANDVIEW ESTATES HOMEOWNERS ASSOCIATION, INC., a nonprofit corporation of the Commonwealth of Pennsylvania, hereinafter referred to as the "Association".

ARTICLE III
PURPOSE

SECTION 3.01 - Association Purposes. The purpose of this corporation is to maintain, regulate and administer certain facilities owned by the Association ("Common Facilities") and certain other facilities which may be maintained but not owned by the Association ("Limited Facilities") and to enforce certain covenants, rules and regulations for the use, benefit and enjoyment of the Owners and lawful occupiers of the land in the development known as GRANDVIEW ESTATES, all in accord with the Uniform Planned Community Act, 69 Pa.C.S.A. Sec. 5101 *et seq* as amended by Senate Bill No. 1175, signed into law on March 24, 1998, (the "Act") and the Declaration of Covenants, Conditions and Restrictions referenced in Section 3.02. In addition thereto, the corporation is to provide for the orderly economical management and maintenance of the Common Facilities and to provide for the collection of such revenue as necessary to effectuate the maintenance of these facilities and other such facilities as may be established for the Owners. This corporation does not contemplate pecuniary gain or profit to its members.

SECTION 3.02 - Declaration of Covenants, Conditions and Restrictions. The Declaration of Covenants, Conditions and Restrictions and any Amendments and Supplements thereto (the "Declaration") are incorporated herein by reference as fully as if the same were set forth at length. In the event of a conflict of interpretation between the provisions set forth in these By-Laws and the Declaration, the Declaration shall govern.

SECTION 3.03 - Interpretation of By-Laws and Declaration. In the event that the Internal Revenue Code is hereafter amended or changed, both the Declaration and these By-Laws shall be interpreted in such a manner as to conform to the provisions of the Internal Revenue Code with respect to nonprofit entities, it being the intention to preserve the lawful status of the Association as a bona-fide nonprofit entity.

ARTICLE IV DEFINITIONS

SECTION 4.01 - Terms. Unless it is plainly evident from the context that a different meaning is intended, the terms used herein shall have the same meanings as provided in the Declaration.

ARTICLE V MEMBERSHIP

SECTION 5.01 - Membership. Except as otherwise provided, membership in the Association is required of, and limited to, the Owners or Co-Owners of a dwelling or lot in GRANDVIEW ESTATES Plan of Lots situate in Richland Township, County of Allegheny, Commonwealth of Pennsylvania, as recorded in the Recorder's Office of Allegheny County. Membership shall be appurtenant to and shall not be separated from ownership of a lot in the Plan of Lots.

SECTION 5.02 - Voting. Qualifications for voting are governed by Article 4.1 of the Declaration.

SECTION 5.03 - Affirmative Vote. All decisions shall require for passage the affirmative vote of at least a majority of the members in good standing and entitled to vote in attendance at a meeting having present, in person or by proxy, the quorum required in Section 5.06 hereof. Cumulative voting shall not be permitted.

SECTION 5.04 - Membership List. Not less than thirty (30) days prior to the date of the annual or special meeting of the Association, the Secretary shall compile and maintain at the principal office of the Association, an updated list of members and their last known post office addresses. Such lists shall also show opposite each member's name, the address of the dwelling or Unit owned by him. This list shall be open to inspection by all members and other person's lawfully entitled to inspect the same at reasonable hours during regular business days up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Directors.

SECTION 5.05 - Proxies and Mail Ballots. Votes may be cast in person, by mail ballots or by written proxy. A proxy signed by an owner designated as the voting member on a certificate filed with the Association must be received by the Secretary or the Executive

Board before the appointed time of, or at, the meeting for which the proxy or mail ballot is specified to be effective.

SECTION 5.06 - Quorum. Except as otherwise provided in these By-Laws, the presence in person, by mail ballot or by proxy of twenty (20%) percent of the members of the Association shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person, by mail ballot or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 5.07 - Actions Without Meeting. Any action which, under any provision of these By-Laws or the Nonprofit Corporation Law of the Commonwealth of Pennsylvania, may be taken at a meeting of members, may be taken without a meeting if authorized by a writing signed by the members entitled to vote by the required percentage for that particular matter and filed with the Secretary.

ARTICLE VI MEETINGS OF MEMBERS

SECTION 6.01 - Place of Annual and Special Meetings. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law, and from time to time, fixed by the Executive Board and designated in the notices of such meetings.

SECTION 6.02 - Date of Annual Meetings. Annual meetings of the members of the Association shall be held on the same date each year as that date on which the first regular election is held as provided in Section 7.04 hereof. The first annual meeting shall be held on the date of such first regular election. At each annual meeting there shall be elected by a ballot of a majority of the members present at the meeting in person, by mail ballot or by proxy are entitled to vote, the Directors of the Association, in accordance with the provisions of Article VII of these By-Laws. The members may also transact such other business as may properly come before the meeting.

SECTION 6.03 - Notice of Annual Meetings. The Secretary shall mail notice of annual meetings to each member of the Association, directed to his or her last known post office address as shown on the records of the Association, by non-certified mail, postage prepaid. Such notice shall be mailed not less than ten (10), or more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the member or left at the member's residence in his absence.

SECTION 6.04 - Special Meeting. It shall be the duty of the President to call a special meeting of the members of the Association (a) for the purpose of holding elections of directors pursuant to the terms of Section 7.04 hereof, (b) whenever he is directed to do so by resolution of the Board of Directors, or (c) upon presentation to the Secretary of a petition signed by thirty (30%) percent of the members entitled to vote.

SECTION 6.05 - Notice of Special Meetings. The Secretary shall mail notice of such special meeting to each member of the Association in the manner provided in Section 6.03 except that notice of such special meeting shall be mailed not less than five (5) more than twenty (20) days before the date fixed for such meeting. In lieu of mailing notice as herein provided, such notice may be delivered by hand to a member left at his residence in his absence. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of the members present, either in person or by proxy.

SECTION 6.06 - Order of Business. The order of business at the annual meeting of the members of the Association shall be as follows:

- (a) roll call
- (b) proof of notice of meeting or waiver of notice
- (c) reading and approval of minutes of preceding meeting
- (d) reports of officers and committees
- (e) election of directors, if applicable, to such meeting
- (f) unfinished business
- (g) new business
- (h) adjournment

ARTICLE VII EXECUTIVE BOARD

SECTION 7.01 - Number of Directors. The affairs of the Association shall be governed by an Executive Board consisting of five (5) persons known as Directors, all of whom shall be residents of the Commonwealth of Pennsylvania. The five (5) Directors, other than those Directors nominated by the Declarant pursuant to Section 7.02, shall be owners of Units. The Initial Directors or their successors shall serve until their successors take office. The Declarant shall be permitted to appoint and reappoint Directors as he may be entitled to do without the necessity of obtaining resignations. As to those Directors nominated or appointed by the Declarant, this provision shall specifically modify Section 7.06 hereof. Upon the replacement of the Declarant-appointed Directors pursuant to Section 7.03 hereunder, the Executive Board shall be comprised of five (5) members of the Association who shall be Units owners elected by a majority of the members of the Association present in person or by proxy at a meeting of the Association.

SECTION 7.02 - Initial Directors. The initial Directors of the Association shall be appointed by the Declarant. These Declarant-appointed Directors shall be replaced with members of the Association in accordance with the provisions of Section 7.03.

SECTION 7.03 - Non-Declarant-Appointed Directors. The transition from Declarant-appointed Directors to Unit Owner elected Directors shall be governed by Article 13.1 of the Declaration.

SECTION 7.04 - Term of Directors. Following the transition from Declarant appointed directors, an election shall be held to select Directors to replace the Directors succeeding the Declarant-appointed Directors. At such first regular election, which shall be referred to as the first regular election, the members of the Association shall elect five (5) Directors who shall be members of the Association. The three (3) nominees receiving the three (3) highest numbers of votes shall serve as Directors for terms of two (2) years each and the two (2) nominees receiving the fourth and fifth highest number of votes shall serve as Directors for terms of one (1) year each. Upon the expiration of the initial term of each Director elected at the said first regular election, his/her successor shall be elected to serve for a term of two (2) years, provided that each Director shall continue to hold office until his/her successor is elected.

SECTION 7.05 - Nominations to Executive Board. Except as provided for in Section 7.01, members of the Association may be nominated for election to the Executive Board in the following way:

(a) An Elections Committee shall be appointed no later than two (2) months prior to the annual meeting of the Executive Board. The Elections Committee shall organize and supervise the election of the Executive Board;

(b) (1) An Association member shall be deemed to have been nominated for election as a Director upon the filing with the Elections Committee at least five (5) weeks prior to the annual meeting of a written petition of nomination bearing the genuine signatures of not less than five (5) members of the Association. Not less than ten (10) days prior to the annual meeting, the Elections Committee shall provide all members with a ballot containing the names of all candidates so nominated and the terms of each available office;

(b) (2) Nominations will also be entertained at the annual Association shall be deemed to have been nominated for election made at such annual meeting is affirmed by a voice vote of not less than five (5) members of the Association meeting. A member of the as a director if the nomination

SECTION 7.06 - Vacancy on Executive Board. If the office of any Director shall become vacant by reason of his or her death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors at a special meeting duly called for such purpose, shall choose a successor, who shall hold office until the next annual meeting of the members and his or her re-election or the election of his or her successor at such meeting.

SECTION 7.07 - Removal of Directors. Subject to the right of the Declarant to nominate and elect members of the Executive Board as set forth in Sections 7.01 and 7.02, Directors may be removed with or without cause, by a majority vote of the members of the Association present in person or by proxy at any special meeting of the members of which notice has been properly given as provided in the By-Laws, provided that the same notice of the said special meeting has also been given to said entire Board, including any individual Director whose removal is to be considered at said special meeting.

SECTION 7.08 - Organizational Meeting of the Board. No later than twenty (20) days following each annual meeting of the Association members, the Executive Board shall hold a regular meeting for purpose of organization, election of officers and the transaction of other business. Notice of such meeting shall be given to all Directors in accordance with Section 7.10, except for the initial meeting, which shall be called by the person receiving the highest number of votes.

SECTION 7.09 - Place of Meetings. All meetings of the Executive Board shall be held at the principal office of the Association, or at any other place or places designated at any time by resolution of the Executive Board or by written consent of all Directors.

SECTION 7.10 - Regular Meetings of the Executive Board. Regular meetings of the Executive Board may be held at such time and place permitted by law as from time to time may be determined by the Directors. Notice of regular meetings of the Executive Board shall be given to each Director personally, by telegram, telephone or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Association, at least five (5) days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 7.11 - Special Meetings of the Executive Board. Special meetings of the Executive Board may be called by the President of the Association on three (3) days written notice to each Director, given in the same manner as provided in Section 7.10. Special meetings of the Board shall be called by the President or the Secretary in like manner upon the written request of any three (3) directors.

SECTION 7.12 - Waiver of Notice. Before any meeting of the Executive Board, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. All such written waivers shall be filed with the records of the Association or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Executive Board shall likewise constitute a waiver by him or her of such notice. If all Directors are present at any meeting of the Board, 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 7.13 - Quorum. At all duly convened meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Directors present at such meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board, there shall be less than a quorum present, the Director or Directors present may adjourn the meeting from time to time, and at such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any Director.

SECTION 7.14 - Consent in Writing. Any action by the Executive Board may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as an unanimous vote of such Directors.

SECTION 7.15 - Fees and Compensations. No Director or Officer shall receive any salary for his or her services as such Director or Officer.

SECTION 7.16 - Presiding Officer. The President shall be the executive officer of the Association and shall preside at all meetings of the Executive Board, and shall serve a term of one (1) year.

SECTION 7.17 - Records. The Executive Board shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members of the Association at annual meetings of the members of the Association or at any special meeting where such statement is requested in writing by one-fourth (1/4) of the Association members entitled to vote.

SECTION 7.18 - Powers and Duties. The Executive Board shall have and exercise all lawful powers and duties necessary for the proper conduct and administrations of the affairs of the Association and the operation and maintenance of the Facilities and may do or cause to be done all such other lawful acts and things as required or provided by the Act or in or by the Declaration.

ARTICLE VIII OFFICERS

SECTION 8.01 - Officers. The officers of the Association shall be a President, vice President, Secretary and Treasurer. The Secretary may be eligible to hold the office of the Treasurer. The President, Vice President and Secretary shall be members of the Executive Board. The Treasurer need not be a member of the Board.

SECTION 8.02 - Election. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting after each election of Directors and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board and may be removed either with or without cause, and his or her successors elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the Directors. The Board may, from time to time, appoint such other officers as in its judgment are necessary. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect as of the date of the receipt of such notice or any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 8.03 - Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

SECTION 8.04 - President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Executive Board. He or she shall have the general powers and duties usually vested in the office of the President of a an Association, including, but not limited to, the power to appoint ad hoc committees from among the members from time to time as he or she may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-official member of all standing committees, if any. 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 except when the signing and execution thereof shall be delegated by the Board to another officer or agent of the Association. It shall be the duty of the President to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

SECTION 8.05 - Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or these By-Laws.

SECTION 8.06 - Secretary. The Secretary shall attend all meetings of the Board 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, and shall perform the duties for any committees, when required. The Secretary shall have charge of the minute book and such records and papers as the Board shall direct, and perform all duties incident to the office of Secretary, including the sending of notice of meetings to the members, the Board and committees, and such other duties as may be prescribed by these By-Laws or by the Board or the President. He or she shall also have custody of the corporate seal, and when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Association, a membership register showing the following: (a) the names and addresses of all Directors; (b) the names and addresses of all members; and (c) the number of memberships held by each member.

SECTION 8.07 - Treasurer. The Treasurer shall have 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 moneys, 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. He or she shall disburse the finds of the Association as may from time to time be ordered by the Board or by the President, and shall render to the President and Directors at the regular meetings of the

Board, or whenever they or either of them shall require, an account of his or her transactions as Treasurer and of the financial condition of the Association. Nothing shall prohibit functions of the Treasurer to be delegated to an agent of the Association provided such delegation is approved by resolution of the Board. The delegation of such duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by such agent.

SECTION 8.08 - Compensation. The officers of the Association shall serve without compensation except, that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX COMMITTEES

SECTION 9.01 - Standing Committees. The standing committees of the Association shall be Election, Architectural Control and Arbitration. Unless otherwise provided herein, each committee shall consist of a Chairperson and two (2) or more members and shall include a member of the Board, in addition to the President as ex-official member, for Board contact. Except as provided in Sections 9.02 and 9.03, the committees shall be appointed by the Board within forty-five (45) days after each annual meeting, to serve for a term of one (1) year or until new members are appointed. The first committees, other than the Election and Architectural Control, shall be established within forty-five (45) days after the date of the election of the first non-Declarant-appointed Director pursuant to Section 7.03. Appointments shall be announced by publication to members of the Association and at the next meeting following such appointments. The Board may appoint such other committees, as it deems desirable.

SECTION 9.02 - Elections Committee. The Elections Committee shall be established no later than two (2) months prior to the annual meeting by the Board. The committee shall consist of a chairperson and two (2) or more members of the Association, none of whom shall be a candidate for office. It shall be the duty of the committee to provide supervision of the nomination and election of Directors in accordance with the procedures adopted by the Board.

SECTION 9.03 - Architectural Control Committee. The Architectural Control Committee shall be established by the Declarant within ninety (90) days after the conveyance of the first dwelling or lot to an individual or entity other than the Declarant. The Architectural Control Committee shall have those powers as designated in the Declaration.

SECTION 9.04 - Arbitration Committee. No member shall have the right to object, challenge, or commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except in the manner provided herein. Prior to the commencement of any suit or action at law or in equity, the member shall first make known his or her objection in writing and directed to this committee by registered or certified mail, return receipt requested, or by an equivalent class of service of the United States Post Office, stating with particularity the objection made and relief,

change or difference sought. It shall be signed legibly by the person objecting and state the address and phone number of such person. If specific dwelling, lots or members are involved, these shall be identified by name and address or with such sufficient particularity as to be easily capable of ascertainment. The committee shall schedule a hearing on the merits of the aforesaid claim or objection within thirty (30) days of the receipt of the notice of claim or objection and within twenty (20) days after the close of the hearing or continued hearing or hearings, the committee shall notify the owner of its decision in writing. Unless such internal remedy shall be voluntarily waived by the Association or the Association fails or refuses to act, no action at law or in equity shall be commenced by any member until such internal remedy is pursued to exhaustion. Any action by a member against any other member arising out of any term, covenant or condition contained in these By-Laws, the Declaration or any rule or regulation made pursuant thereto, use or non-use, shall be subject to the same procedures. In such hearings, all parties shall be entitled to be represented by counsel. In any claim or objection, the Association may appoint counsel to the Association, or any other person or persons, one of whom shall be learned in the law, to act as a hearing officer and make recommendations or findings, or both, to the Association. In such event, an additional ten (10) days shall be permitted for forwarding any decision to the member.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 10.1 - Indemnification of Officers and Directors. Officers and Directors shall be indemnified as provided in Article X of the Declaration.

ARTICLE XI

CORPORATE SEAL

SECTION 11.01 - Corporate Seal. The corporate seal of the Association shall consist of two concentric circles between the circumferences of which shall be inscribed the name, GRANDVIEW ESTATES HOMEOWNERS ASSOCIATION, INC. and within the circumference of the inner circle the words, "Incorporated, Pennsylvania" and the year of incorporation.

ARTICLE XIII

AMENDMENTS TO BY-LAWS

SECTION 12.01 - Amendments to By-Laws. Any Amendments to the By-Laws shall be proposed by either the Board or by at least twenty-five (25%) percent of the Unit owners. The proposed Amendments must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

SECTION 12.02 - Affirmative Vote. The affirmative vote of Unit owners representing fifty-five (55%) percent of the dwelling and lot owners shall be required to amend the Bylaws; provided, however, that if any such amendment would affect the Declarant's ability to sell or lease dwellings or lots owned by the Declarant, such amendment shall

require the written approval of the Declarant, and if such amendment would affect in any way the rights of noticed mortgages, any such amendment shall also require the written approval of at least seventy-five (75%) percent of the noticed mortgagees (based upon one (1) vote for each first mortgage owned).

ARTICLE XIII DISSOLUTION

SECTION 13.01 - Dissolution. In the event it shall be deemed advisable and for the benefit of the members that the Association should be dissolved, the procedures concerning dissolution set forth in the Pennsylvania domestic nonprofit corporation statutes shall be followed.

SECTION 13.02 - Distribution. In the event of dissolution, the assets, including any surplus of the Association after payment of all debts, including mortgages and other encumbrances shall be distributed equally among the Unit owners.

ARTICLE XIV MISCELLANEOUS

SECTION 14.01 - Delegation of Authority. The Executive Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or convened to specific instances; and, unless so authorized by the Board, no officer, agent or other person shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 14.02 - Inspection of Documents and Financial Statements. The Association shall keep in its principal office, the original or a copy of the Declaration, the By-Laws, all rules and regulations and all other covenants as amended or otherwise altered to date, certified by the Secretary and the books, records and financial statements of the Association, which shall be open to inspection upon request by the members and holders, insurers or guarantors of first mortgages at all reasonable times during office hours. In addition, any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year within a reasonable time after such request and without charge.

SECTION 14.03 - Membership Minutes. The membership register and minutes of proceedings of the members and directors shall be open to inspection upon demand of any member at any reasonable time during office hours, and for a purpose reasonably related to his interest as a member.