

BYLAWS OF GRANDVIEW CREST HOMEOWNERS ASSOCIATION, INC.,

A NONPROFIT CORPORATION

ARTICLE ONE

INTRODUCTION

1.01. These Bylaws constitute the code of rules adopted by Grandview Crest Homeowners Association, Inc. for the regulation and management of its affairs.

1.02. This Corporation will have the purposes or powers as stated in its Articles of Incorporation, and whatever powers are or may be granted by the Nonprofit Corporation Law of 1972 of the Commonwealth of Pennsylvania, or any successor legislation. The primary purpose of this Corporation is to manage and operate real estate.

1.03 All words, terms and phrases used herein shall have the meaning given them in the Declaration of Covenants, Conditions and Restrictions for the Paragon Homes, Inc. on the Mount Plan of Lots, of record in the Recorder of Deeds Office of Allegheny County, Pennsylvania, in Deed Book Volume 10273, page 530, the First Amendment to the Declaration of Covenants, Conditions and Restrictions of the Paragon Homes, Inc. on the Mount Plan of Lots, of record in the Recorder of Deeds Office of Allegheny County, Pennsylvania in Deed Book Volume 10471, page 550, and the Second Amendment to the Declaration of Covenants, Conditions and Restrictions for the Paragon Homes, Inc. on the Mount Plan of Lots, to be placed of record in the Recorder of Deeds Office of Allegheny County, Pennsylvania.

ARTICLE TWO

OFFICES AND AGENCY

2.01. The principal place of business of this corporation in Pennsylvania will be located at the residence of the President of the Corporation, from time to time. In addition, the Corporation may maintain other offices either within or without the Commonwealth of Pennsylvania as its business requires.

2.02. The location of the registered office of this Corporation is stated in the Articles of Incorporation. This office will be continuously maintained in the Commonwealth of Pennsylvania for the duration of this Corporation. The Board of Directors may from time to time change the address of its registered office by duly adopted resolution and amend its Articles or file the appropriate statement with the Department of State.

ARTICLE THREE

MEMBERSHIP

3.01. The Members of this Corporation are those persons having membership rights in accordance with the provisions of these Bylaws.

3.02. This Corporation will have one (1) class of Members which is designated as the legal owner of a Lot subject to Assessment in the Paragon Home, Inc. on the Mount Plan of Lots as recorded in the Recorder's of Deeds Office of Allegheny County, Pennsylvania, in Plan Book Volume 209, pages 166-167 ("Plan").

3.03. The qualifications and rights of the Members of the membership class of this Corporation are as follows:

(1) Members must be legal owners of Lots subject to Assessment in the Plan.

3.04. The annual Assessments payable to the Corporation by Members will be in the amount determined from time to time by resolution of the Board of Directors and will be payable in equal quarterly installments in advance on the first day of January, April, July and October of each year.

3.05. Membership will be subject to Assessment as set forth in the Declarations, as amended from time to time.

3.06. Meetings of Members will be held at a place determined by the Members from time to time and as set forth in the notice of such meetings.

3.07. The annual meeting of the Members will be held at 7:00 p.m. on the second Monday of December each year.

3.08. Special meetings of the Members may be called by any of the following:

- (1) The Board of Directors.
- (2) The President or Secretary/Treasurer.
- (3) Any Member of the Association.

3.09. Written or printed notice, stating the place, day, and hour of the meeting, and the purpose or purposes for which the meeting is called, must be delivered not less than thirty (30) nor more than sixty (60) days before the date of the Members' meeting, either personally,, by first class mail, or by telefax and electronic mail by or at the direction of the President, the Secretary, or the officer or Member calling the meeting, to each Member entitled to vote at such meeting. If mailed, the notice will be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Corporation with postage prepaid.

3.10. Each Member will be entitled to one vote on each matter submitted to a vote of Members. When more than one (1) person owns a Lot they shall all be Members. However, the vote for each Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If multiple owners of a Lot cannot agree

upon and cast a timely vote when a vote is called, the vote shall be automatically canceled, but shall be counted for purpose of a quorum.

3.11 The number of Members represented in person which constitutes a quorum at a meeting of Members will be five (5). The vote of a majority of the votes entitled to be cast by the Members present at a meeting at which a quorum is present is necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Nonprofit Corporation Law of 1972, the Articles of Incorporation of this Corporation, or any provision of these Bylaws.

3.12 Membership in the Corporation shall be appurtenant to and may not be separated from ownership of a Lot in the Plan. Any transfer of membership in violation of this Bylaw will not be valid or recognized by this Corporation, at law or inequity.

3.13. Membership will terminate in this Corporation on any of the following events, and for no other reason:

- (1) A Member fails to own a Lot in the Plan.
- (2) The death of a Member.
- (3) The failure of a Member to pay any Assessment on or before its due date.

Any Member terminating membership status for the reason set forth in subparagraph (3), above, may be completely and automatically reinstated upon payment of any delinquent assessment before formal adoption by the Board of Directors of a resolution acknowledging such termination.

ARTICLE FOUR

DIRECTORS

4.01. The Board of Directors is that group of persons vested with the management of the business and affairs of this Corporation.

4.02. The Board of Directors of this Corporation will constitute a single class.

4.03. Directors must be Members of this Corporation. When more than one (1) person is the legal owner of a Lot subject to assessment in the Plan, such Members shall share one (1) seat and one (1) vote on the Board of Directors. Such Members shall designate in writing the Member who will serve on the Board of Directors.

4.04. The number of Directors of this Corporation will not be less than three (3) at any time. Until further amendment of these Bylaws, the number of Directors will be nine (9).

4.05. Directors will serve as long as such person remains an Owner of a Lot.

4.06. Meetings of the Board of Directors, regular or special, will be held at such place as the Board of Directors designates by resolution duly adopted.

4.07. Regular meetings of the Board of Directors 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 Board of Directors shall be given to each Director personally, by telefax, by electronic mail 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 Corporation, 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.

4.08. Special meetings of the Board of Directors may be called by the President on three (3) days' written notice to each Director, given in the same manner as provided in Section 4.07. Special meetings of the Board shall be called by the President, Secretary or Treasurer in like manner upon the written request of any Director.

4.09. Before any meeting of the Board of Directors, 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 Corporation or made a part of the minutes of the meeting. Attendance by a Director at any meeting of the Board of Directors shall likewise constitute a waiver by him 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 Bylaws.

4.10. Except as otherwise expressly provided herein or by law, at all duly convened meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business 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 of Directors. If at any meeting of the Board of Directors, 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.

4.11. Any action by the Board of Directors 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 a unanimous vote on such Directors.

4.12. No Director or Officer shall receive any salary for his services as such Director or Officer, except that they shall be entitled to reimbursement for all expenses reasonable incurred in the discharge of their duties.

4.13. The President shall be the executive officer and shall preside at all meetings of the Board of Directors, and shall serve a term of one (1) year. In the event the President is unable to preside at a meeting of the Board of Directors, then the Secretary shall preside at such meeting.

4.14. The Board of Directors 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 Corporation at annual meetings of the members of the Corporation or at any special meeting where such statement is requested in writing of the Corporation Members entitled to vote.

4.15 The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Corporation and may do or cause to be done all such lawful acts permitted or authorized under the Uniform Planned Community Act, 68 Pa.C.S.A. § 5101 et seq. In addition, action by the Board of Directors is adequate to perform all acts specified in Articles V, VI and VII of the Declaration, which hereinbefore required action of the Corporation.

4.16 Each member of the Board of Directors, in his/her capacity as a Board member and each officer or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including attorney's fees, judgments, fines and amounts paid in settlement and/or which were otherwise actually and reasonably incurred by or imposed upon him/her in connection with any action or proceeding (other than an action by or in the right of the Corporation) in which he/she was or is a party or is threatened to be made a party by reason of his/her being or having been a member of the Board of Directors, or an officer or employee of the Corporation or any settlement of any such action or proceeding, whether or not he/she is a member of the Board of Directors or an officer or employee of the Corporation at the time such expenses are incurred, if such member, officer or employee acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation; provided, however, that, in the event of a settlement, this indemnification shall apply only if and when the Board or Directors (with the affected member, officer or employee abstaining if he/she is then a Director) shall approve such settlement and reimbursement as being in the best interests of the Corporation and provided further, that indemnification hereunder with respect to any criminal action or proceeding shall be permitted only if such member, officer or employee shall have had no reasonable cause to believe his/her conduct was unlawful. The indemnification set forth in this Section 4.16 shall be paid by the Corporation and shall constitute a common expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such member, officer or employee may be entitled as a matter of law or agreement or by vote of the members or otherwise. The indemnification hereunder and the rights to defense counsel shall, without limitation, apply to all claims and actions related to hazardous materials and hazardous wastes or toxic materials and similar environmental matters pursuant to any existing or any future law, statute, ordinance, rule, regulation, or court decisions.

4.17. Complaints brought against the Corporation, the Board of Directors, or its members, or the officers, employees or agents of the Corporation in their respective capacities as such, or the Corporation as a whole, shall be directed to the Board of Directors of the Corporation, which shall promptly give written notice thereof to the Members. All such complaints shall be defended by the Corporation at its sole cost. The Members shall have no right to participate in such defense other than through the Corporation.

4.18. The Board of Directors shall have the power to purchase and maintain insurance to satisfy the indemnification obligation of the Corporation and all members set forth in Section 4.16 hereof, if and to the extent available at commercially reasonable rates.

ARTICLE FIVE

OFFICERS

5.01. The Officers of this Corporation will consist of the following personnel:

- (1) A President
- (2) A Secretary/Treasurer

5.02. Each of the Officers of this Corporation will be elected and appointed annually by the members. Each Officer will remain in office until a successor to the office has been selected and qualified. Elections will be held at the regular meeting of the Members.

5.03. The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Members. He shall have the general powers and duties usually vested in the office of the President of a Corporation, including, but not limited to, the power to appoint ad hoc committees from among the Members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-officio member of all standing committees, if any. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Corporation 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 Members to another officer or agent of the Corporation.

5.04. The Secretary/Treasurer shall attend all meetings of the Board of Directors 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/Treasurer 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 of Directors and committees, and such other duties as may be prescribed herein or by the Board of Directors 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/Treasurer shall keep, or cause to be kept, at the principal office of the Corporation, a membership register showing the names and addresses of all Members.

ARTICLE SIX

INFORMAL ACTION

6.01. Whenever any notice whatever is required to be given under the provisions of the Nonprofit Corporation Law of 1972, the Articles of Incorporation of this Corporation, or these

Bylaws, a waiver of the notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in the waiver, will be deemed equivalent to the giving of the notice. The waiver must, in the case of a special meeting of members, specify the general nature of the business to be transacted.

6.02 Any action required by law or under the Articles of Incorporation of this Corporation or these Bylaws, or any action which otherwise may be taken at a meeting of either the Members or Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all the persons entitled to vote with respect to the subject matter of the consent, or all Directors in office, and filed with the Secretary of the Corporation.

ARTICLE SEVEN

OPERATIONS

7.01. The fiscal year of this corporation will be the calendar year.

7.02. Except as otherwise provided by law, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness, contracts, deeds, leases, or other instruments executed in the name of and on behalf of the Corporation will be signed by the President and the Secretary.

7.03. This Corporation will keep correct and complete books and records of account, and will also keep minutes of the proceedings of its Members, Board of Directors, and Committees. The Corporation will keep at its office a membership register giving the names and addresses of each member, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the Corporation.

7.04. All books and records of this Corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating the purpose of the inspection.

7.05. This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its Members, Directors, or Officers.

ARTICLE EIGHT

AMENDMENT

8.01. The power to alter, amend, or repeal these Bylaws, or to adopt new Bylaws, to the extent allowed by law, is vested in the Board of Directors.

8.02. Adopted by the Board of Directors by resolution and vote this 29th day of April, 2002.