BYLAWS

OF

CLEARVIEW GARDENS MASTER UNIT OWNERS' ASSOCIATION, INC.

ARTICLE I

Introductory Provisions

1.1. **Applicability.** These Bylaws provide for the governance of the Association with respect to the Planned Community created by the recording of the Master Declaration among the land records of Lancaster County at Document ID No. ___________________, as the same may be amended from time to time.

1.2. **Definitions.** Capitalized terms used herein without definition shall have the meanings specified for such terms in the Master Declaration to which these Bylaws pertain 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 Planned Community, 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.

1.5 **Incorporation of Statutory Law.** Except as expressly provided herein, in the Master Declaration, or in the Act, the Association shall be governed by the provisions of the Non-profit Corporation Law of the Commonwealth of Pennsylvania, as it may be amended from time to time. The "Board of Directors" described therein shall be referred to herein and in the Master Declaration as the "Executive Board".

ARTICLE II

The Association

2.1. **Composition.** The Association is hereby organized on the date hereof as a non-profit corporation. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Act pursuant to the Master Declaration and these Bylaws. The Association shall have the responsibility of administering the Planned Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Planned Community and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Master 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 Meeting.** The annual meeting of the Association shall be held on the second Monday in October of each year. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.4. of these Bylaws and such other business as may properly come before the meeting may be transacted.

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

2.4. **Special Meetings.**

(a) The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners of not less than thirty percent (30%) of the aggregate Percentage Interests. 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 possible rejection of a budget or capital expenditure pursuant to Section 5.8. 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.

(b) Within sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be constructed on the Property to Unit Owners other than the Declarant, a special meeting of the Association and Transition Election shall be held at which one (1) additional person who is a Unit Owner shall be elected to the Executive Board. Only Unit Owners other than the Declarant may vote at such Transition Election. The term of the Director so elected at the Transition Election and each successor to such Director shall expire on the second Monday in October of each even numbered year following the year in which such Director is elected. During the Declarant Control Period, each such successor to such Directors shall be elected only by Unit Owners other than the Declarant.

(c) Within sixty (60) days after conveyance of fifty percent (50%) of the Units that may be constructed on the Property to Unit Owners other than the Declarant, another special meeting of the Association and Transition Election shall be held at which time one additional person who is a Unit Owner shall be elected to the Executive Board. Only Unit Owners other than the Declarant may vote at such Transition Election. The term of such Director elected at this Transition Election and each successor to such Director shall expire on the second Monday in October of each even numbered year following the year in which such Director is elected. During the Declarant Control Period, successors to such Directors shall be elected only by Unit Owners other than the Declarant.

(d) Within five (5) days prior to the termination of the Declarant Control Period or at such earlier date as the Declarant in its sole discretion shall specify, a special meeting of the Association shall be held at which all of the members of the Executive Board appointed by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant then owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. The term of members of the Executive Board so elected and their successors, shall expire on the second Monday in October of each odd numbered year thereafter.

2.5. **Notice of Meetings.** The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the Association at least twenty (20) days but not more than sixty (60) days prior thereto, and of each special meeting of the Unit Owners at least ten (10) days 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.

2.6. **Adjournment of Meetings.** If at any meeting of the Association a quorum is not present, the 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 (48) hours after the time for which the original meeting was called.

2.7. **Voting.**

(a) Voting at all meetings of the Association shall be on a percentage basis and the percentage of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his or her Unit in the Master Declaration.

(b) Where the ownership of a Unit is in more than one Person, the 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, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. Such certificates shall be valid
until revoked by a subsequent certificate similarly executed. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous

agreement if any one of the multiple owners cast 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.

(c) Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Master Declaration or these 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 Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Master Declaration or these Bylaws, the owners of more than fifty percent (50%) of the aggregate Percentage Interest in the Planned Community 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 Association.

(d) At each election for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Master Declaration. Those candidates for election receiving the greatest number of votes cast in such election shall be elected. Except as set forth in Sections 2.4.(b), 3.5., and 3.6.(b), if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

2.8. **Proxies.** A vote may be cast in person or by proxy. If a Unit is owned by more than one Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a holder of a mortgage on a Unit 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 year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

2.9. **Quorum.**

(a) Except as set forth below, the presence in person or by proxy of Unit Owners of twenty percent (20%) or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Unit Owners Association.

(b) 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 Association if persons entitled to cast fifteen percent (15%) of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

2.10. **Conduct of Meetings.** The President shall preside over all meetings of the 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 thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Master Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

ARTICLE III

Executive Board

3.1. **Powers and Duties.** The Executive Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Act, the Master Declaration or these Bylaws required to be exercised and done by the Association. The Executive Board shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Planned Community; provided, however, that such Rules and Regulations shall not conflict with the Act, the Master Declaration or these Bylaws. Without limiting the foregoing, the Executive Board may regulate the use, maintenance, repair, replacement and modification of Common Elements. The Executive Board shall keep current copies of the Master Declaration, Articles of Incorporation and Bylaws of the Association, Rules and Regulations, as well as the Planned Community's books, records and financial statements available for inspection by Unit Owners or by holders, insurers and guarantors of first mortgages that are secured by Units. All such documents shall be available for inspection during general business hours on working days.

3.2 **Number and Qualifications.** The affairs of the Association shall be governed by an Executive Board. Prior to the Transition Elections provided for by Section 2.4(b) above, the Executive Board shall be composed of three (3) natural persons who shall be appointed by the Declarant. After the Transition Elections, the Executive Board shall be composed respectively of four (4) and then five (5) natural persons. All members of the Executive Board shall be Unit Owner or designees of the Declarant.

3.3. **Delegation of Powers; Managing Agent.** The Executive Board may employ for the Planned Community 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 Master Declaration and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Master 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 Master Declaration and these Bylaws other than the following powers:

(1) to adopt the annual budget, any amendment thereto or to assess any Common Expenses;

(2) to adopt, repeal or amend Rules and Regulations;

(3) to designate signatories on Association bank accounts;

(4) to borrow money on behalf of the Association;

(5) to acquire and mortgage Units;

(6) to allocate Limited Common Elements.

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days' written notice and without cause and without penalty or any termination fee on no more than ninety (90) days written notice. The term of any such contract may not exceed two (2) years.

3.4. **<u>Election and Term of Office</u>.**

(a) At the annual meetings of the Association, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in Section 2.4(b) and (c), and Section 3.4. and 3.5. hereof) shall be fixed at two (2) years. The members of the Executive Board shall hold office until the earlier 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) Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(1) Any Unit Owner may submit to the Secretary 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 four (4) Units and a statement that the person nominated is

willing to serve on the Executive Board. The Secretary shall mail or hand deliver the submitted items to every Unit Owner along with the notice of such meeting;

(2) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one person has been nominated by petition.

3.5. **Removal or Resignation of Members of the Executive Board.**

(a) Except with respect to members appointed by Declarant, at any regular or special meeting of the Association duly called and subject to the notice requirements set forth in subsection 3.5(b) below, any one or more of the members of the Executive Board may be removed with or without cause by Unit Owners entitled to cast a majority of all votes in the Association. A successor may then and there be elected to fill the vacancy thus created for the remainder of the term of the member being replaced. In case of multiple vacancies, the person receiving the greatest number of votes shall be elected for the longest term. Notwithstanding the foregoing, during the Declarant Control Period, any Executive Board member elected by only the Unit Owners other than the Declarant pursuant to Section 2.4(b) hereof, may be removed and a replacement elected only by a majority of all votes of Unit Owners other than the Declarant.

(b) Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least twenty (20) 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.

(c) A member of the Executive Board may resign at any time and shall have resigned upon transfer of title to his Unit, if, as a result of such transfer, such member of the Executive Board has no ownership interest in any Unit.

(d) Declarant shall have the right to remove and replace any or all members appointed by the Declarant at any time and from time to time.

3.6. **Vacancies.**

(a) Except with respect to members appointed by the Declarant, members elected by the Unit Owners other than the Declarant and serving during the Declarant Control Period pursuant to Section 2.4(b) and vacancies caused by the removal of an Executive Board member by a vote of the Unit Owners as set forth in Section 3.5 above, all vacancies in the Executive Board shall be filled by a vote of a majority of the remaining members of the Executive Board. Such vote shall be conducted at a special meeting of the 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. Any person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced. In the case of multiple vacancies, the person receiving the greatest number of votes shall be elected for the longest term.

(b) During the Declarant Control Period, any vacancy created by the death, adjudication of incompetency, removal or resignation of a member of the Executive Board elected by only the Unit Owners other than the Declarant pursuant to Section 2.4(b) hereof shall be filled by the vote of only Unit Owners other than the Declarant. Except in the case of vacancy by removal and a simultaneous replacement election pursuant to Section 3.5 above, the vote to fill a vacancy hereunder shall be conducted at a special meeting of the Association to be held for such purpose within twenty (20) days after the occurrence of such vacancy. The Secretary shall give each Unit Owner at least ten (10) days prior notice of this special meeting, stating the time, place and purpose thereof. Any person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced.

3.7. **Organizational Meeting.** The first meeting of the Executive Board following each annual meeting of the Association (hereinafter referred to as the "Organizational Meeting") shall be held within ten (10) days thereafter at such time and place fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected. No notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, providing a majority of the whole Executive Board shall be present at such meeting.

3.8. **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 every three (3) months. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telegraph, at least ten (10) business days prior to the day named for such meeting.

3.9. **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 telegraph, 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 written request of at least two (2) members of the Executive Board.

3.10. **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.

3.11. **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 reconvened 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 purpose at any meeting by means of conference telephone or similar communication equipment pursuant to which all persons participating in the meeting can hear each other.

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

3.13. **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 therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. Such minute book shall be kept at the office of the Association and may be examined at any time by any member who may make copies of any provisions. The Secretary shall, upon request of any member, for a reasonable charge, supply such member with copies of such minutes as such member shall designate. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board when not in conflict with the Master Declaration, these Bylaws or the Act.

3.14. **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.

3.15. **Validity of Contracts with Interested Executive Board Members.** No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm, or association in which one or more of the Executive Board members of the Association 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 the minutes thereof, and the Executive Board authorized, 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; or

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

3.16. **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 types described in Section 3.15 hereof.

3.17. **Limited Liability of the Executive Board.** The Executive Board, and its members in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to Persons or properly caused by the elements or by another Unit Owner or Person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board.

(b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;

(d) Shall not be liable to a Unit Owner, or such Unit Owners' tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

3.18. **Indemnification.** Each member of the Executive Board in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 3.18 shall be paid by the Association on behalf of the Unit Owners 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 Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

ARTICLE IV

Officers

4.1 **Designation.** The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officer may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.

4.2. **Election of Officers.** The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new 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 this purpose.

4.4. **President.** The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and shall 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 Association. The President shall cease holding this office at such time as he ceases to be a member of the Executive Board.

4.5. **Vice President.** The Vice President 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 some other member of the executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform any other duties as shall from time to time be delegated or assigned to him by the Executive Board or by the President. The Vice President shall cease holding this office at such time as he ceases to be a member of the Executive Board.

4.6. **Secretary.** The Secretary shall keep the minutes of all meetings of the 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 Units 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 Association pursuant to Sections 5315(g), 5407(a) and 5407(b) of the Act and Paragraphs 5.9 and 5.11 below. To the extent permitted by the Act, the Secretary may impose a reasonable charge for the preparation of any such statement and/or certification and the reproduction of such documents in order to cover the cost of the preparation and reproduction.

4.7. **Treasurer.** The Treasurer shall have the responsibility for the safekeeping of 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 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 Association for expenditures or obligations in excess of Ten Thousand Dollars ($10,000.00) shall be executed by any two (2) officers of the Association. All such instruments for expenditures or obligations of Ten Thousand ($10,000.00) or less may be executed by any one (1) officer of the Association.

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

ARTICLE V

Common Expenses; Budgets

5.1. **Fiscal Year.** The fiscal year of the 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 Master Declaration.

5.2. **Preparation and Approval of Budget.**

(a) On or before the first day of November of each year, the Executive Board shall adopt an annual budget for the 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 and those parts of the Units 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 the Common Expenses by the Act, the Master Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuring 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 the contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses.

(b) On or before the 15th day of November of each year, the Executive Board shall make the budget available for inspection at the Association and within 10 business days of the adoption of the budget 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 Unit Owners' assessments for General Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Paragraph 5.8 below.

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

5.3. **Assessment and Payment of Common Expenses.**

5.3.1 **General Common Expenses.** The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (1) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any Limited Expenses and income expected to be received from sources other than Common Expense assessments and to the operation of the Limited or Reserved Common Elements to which the Limited Expenses pertain, by (2) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (3) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each calendar month, and shall be a lien against each Unit Owner's Unit as provided in the Act and the Master Declaration. Within 120 days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting 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 General 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.

5.3.2. **Reserves.** The Executive Board shall 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 nonpayment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expenses which shall be assessed against the Unit Owners either according to their respective Percentage Interests with regard to General Common Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Executive Board may determine.

5.4. **Further Assessments.** The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Paragraph 5.3. or otherwise as permitted or required by the Act, the Master Declaration and these Bylaws by a statement in writing giving the amount of reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than 30 days after the delivery of such notice of further assessments. Such assessments shall be a lien as of the effective date as set forth in Paragraph 5.3.1.

5.5. **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 Paragraph 5.3. above.

5.6. **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 monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

5.7. **Accounts; Audits.** 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. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once every year by an independent accountant retained by the Executive Board. Such audit and audited financial statements must be available within one-hundred twenty (120) days of the Association's fiscal year end. Upon written request made to the Executive Board, any such audit and audited financial statements shall be made available to the holder, insurer or guarantor of any first mortgage that is secured by a Unit.

5.8. **Rejection of Budget; Limitations on Expenditures and Borrowing.** The Association, by a majority vote of all votes in the 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 Association is subject to the requirement that the consent of Unit Owners entitled to cast at least 2/3 of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (a) expend funds or incur expenses that it reasonably anticipates will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than 33.3% of such aggregate amount after taking into account any projected increases in income, and (b) to borrow money so that loans of the Association then outstanding would exceed 20% of such aggregate amount.

5.9. **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 or 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 therefor; 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 10 days following a written request therefor to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Subject to Section 5315(b)(2) of the Act, each record holder of a mortgage on a Unit 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.

5.10 **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 for Common Expenses due from any Unit Owner which remain unpaid for more than 10 days from the due date for payment thereof. Any assessments not paid within 10 days after its due date shall accrue a late charge in the amount 10% of the overdue assessment in addition to interest at the rate of 18% per annum or such other rate as may be determined by the Executive Board. The Executive Board shall also have the right, by giving five days' written notice to any Unit Owner who is in default in the payment of a monthly assessment as aforesaid, to accelerate the maturity of the unpaid monthly assessments for the remainder of the year and collect the same as if they were then presently due.

5.11. **Statement of Common Expenses.** The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses and Limited Expenses due from each Unit Owner as required by the terms of Section 5315(h) of the Act, or the certificate and documents required by the terms of Section 5407 of the Act. To the extent permitted by the Act, the Executive Board may impose a reasonable charge for the preparation of such statement and/or certificate and the reproduction of these documents in order to cover the cost of the preparation and reproduction.

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 Master Declaration, these Bylaws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Master Declaration, a default by a Unit Owner shall entitle the 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, if a default be established, the Association shall be entitled to recover the costs of such proceeding, and reasonable attorney's fees.

(c) **No Waiver of Rights.** The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Master Declaration, these Bylaws, the Rules and Regulations or the Act shall not constitute a waiver of the right of the 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 Association, the Executive Board, or any Unit Owner pursuant to any term, provision, covenant or condition of the Master Declaration, these Bylaws, the Rules and Regulations or the Act in the future, 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 Master 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 Bylaw contained herein or the breach of any provision of the Master Declaration or the Act shall give the Executive Board the right, in addition to any other rights, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VII

Insurance

7.1. **Power of Attorney.** The Association is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each holder of a mortgage or other lien upon a Unit and for each owner of any other interest in the Property for the purpose of purchasing and maintaining insurance as set forth in Section 7.3 below including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

7.2 **Insurance Trustee.** The Executive Board shall have the option, in its sole discretion, of naming as an insured, on behalf of the Association, an Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement. The duty of the Insurance Trustee shall be to receive, hold or otherwise properly dispose of, in accordance with Section 5312 of the Act, proceeds of insurance designated in the Insurance Trust Agreement in trust for Unit Owners and their Eligible Mortgagees as their interests may appear.

7.3. **Types and Amounts.** Commencing not later than the time of the conveyance of the first Unit to a Person other than the Declarant, the Association shall obtain and maintain the types of insurance set forth in Section 5312 of the Act. Except as otherwise provided, the premiums for all such insurance policies shall be a Common Expense.

7.4. **Other Insurance.**

The Association may carry any other insurance, including Flood Insurance, it deems appropriate to protect the Association or the Unit Owners.

7.4. **Required Provisions.** Insurance obtained by the Association shall contain the provisions set forth in Section 5312(d) of the Act.

ARTICLE VIII

Amendments

8.1. **Amendments to Bylaws.** Except as otherwise provided in any one or more of these Bylaws, the Master Declaration or the Act, the provisions of these Bylaws may be amended only by vote of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws; provided, however, that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of the Declarant, such amendment shall require the joinder of the Declarant.

8.2. **Approval of Mortgages.** No amendment or modification of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a first mortgage holder shall be adopted without the prior written consent of the requisite percentage of first mortgagees as set forth in Section 7.4. of the Master Declaration.

8.3. **Amendments to the Master Declaration.** The Master Declaration may be amended pursuant to the provisions of the Act and the Master Declaration. Any two (2) officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Master Declaration on behalf of the Association.

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 registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) 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 Unit of such Unit Owner, or (b) if to the Association, the Executive Board or to the Managing Agent, at the principal office of such body or such 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. **Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Microfilm Number________________ Filed with the Department of State
on ______________________________

Entity Number __________________ ______________________________
Secretary of the Commonwealth

ARTICLES OF INCORPORATION - DOMESTIC NONPROFIT CORPORATION

ARTICLES OF INCORPORATION OF
CLEARVIEW GARDENS MASTER UNIT OWNERS' ASSOCIATION, INC.

In compliance with the requirements of 15 Pa. C.S.A. §5306, the undersigned, acting as incorporator for a nonprofit corporation, hereby certifies and adopts the following Articles of Incorporation:

ARTICLE ONE
NAME

The name of the corporation is Clearview Gardens Master Unit Owners' Association, Inc.

ARTICLE TWO
INITIAL REGISTERED OFFICE

The street address of the initial registered office of the corporation in this Commonwealth is 355 Clearview Road, Ephrata, Pennsylvania, 17522.

ARTICLE THREE
NONPROFIT CORPORATION LAW

The corporation is incorporated under the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania as a unit owner's association.

ARTICLE FOUR
DURATION

The term of the corporation's existence is perpetual.

ARTICLE FIVE
PURPOSES OF THE ASSOCIATION

The corporation has been organized for the primary purpose of operating a planned community owners' association for the residents within the Clearview Gardens Planned Community development, situated in Clay Township, Lancaster County, Pennsylvania. The specific purposes for which the corporation is formed are to promote and develop the common good and social welfare of the residents and to provide other nonprofit services for its Members, to the extent permitted by the Nonprofit Corporation Law of 1988, including, without limitation, the following:

(a) in the sole and absolute discretion of the Board of Directors, to aid in the enforcement of the Master Declaration of Clearview Gardens Planned Community;

(b) to provide a collective voice in matters of personal or public concern as they relate to conditions in Clearview Gardens Planned Community;

(c) to keep Clearview Gardens Planned Community a community in which its Members are proud to live by preserving the quality and integrity of the neighborhood through adherence to the Master Declaration of Clearview Gardens Planned Community;

(d) to otherwise promote the health, safety and welfare of the residents within Clearview Gardens Planned Community; and

(e) such other proposes as the Board of Directors may determine from time to time.

ARTICLE SIX
POWERS OF THE CORPORATION

The corporation shall have and be able to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law may now or hereafter have or exercise.

ARTICLE SEVEN
NONSTOCK BASIS

The corporation is organized upon a nonstock basis and shall have no authority to issue shares of capital stock.

ARTICLE EIGHT
NO PECUNIARY GAIN OR PROFIT

The corporation does not contemplate pecuniary gain or profit, incidental or otherwise. In addition, no part of the net earnings of the corporation shall inure to the benefit of any individual and no member, director, officer or employee of the corporation shall receive any pecuniary benefits of any kind except reasonable compensation for services in effecting the corporate purposes. The corporation shall at no time engage in any form of partisan politics. No part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the corporation participate or intervene in (including the publishing or distributing statements of) any political campaign on behalf of any candidate for public office. If the corporation is to be dissolved, the Board of Directors shall, after paying or making provision for payment of all liabilities of the corporation, dispose of all of the assets of the corporation only to such organizations which are exempt under Section 528, Section 501(c)(3), Section 501(c)(4), or Sections 170(c)(1) or 170(c)(2) of the Internal Revenue Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine which are organized or granted exclusively for such purposes.

ARTICLE NINE
INTERNAL REVENUE CODE

The corporation shall operate within one or both of the definitions of the following Internal Revenue Code provisions:

(a) The purpose of this corporation shall comply with the requirements of Section 528 of the Internal Revenue Code and the regulations thereunder as such code and regulations now exist or as they may hereafter be amended; and

(b) The corporation shall also be considered a civic organization as defined by Section 501(c)(4) of the Internal Revenue Code, as it now exists or as it may hereafter be amended, organized for the purpose of promoting social welfare in Clearview Gardens.

The corporation shall at no time engage in any activity not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 528 of the Internal Revenue Code or, alternatively, Section 501(c)(4) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Law).

ARTICLE TEN
INCORPORATORS

The name and street address of the incorporators are:

J. Glenn Wissler, 355 Clearview Road, Ephrata, Pennsylvania 17522

Mildred G. Wissler, 355 Clearview Road, Ephrata, Pennsylvania 17522

IN TESTIMONY WHEREOF, the incorporators have executed these Articles of Incorporation on this _____ day of ________, 200__.

Witness:

______________________________ ______________________________
J. Glenn Wissler

______________________________ ______________________________
Mildred G. Wissler