

BRYNFIELD HOMEOWNERS ASSOCIATION BYLAWS

ARTICLE I. Introductory Provisions

Section 1. Applicability. These Bylaws provide for the governance of the Association with respect to the planned community created by the recording of a Declaration among the land records of Dauphin County in Record Book 3637, Page 160.

Section 2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Uniform Planned Community Act (hereinafter, Act).

Section 3. Compliance. Every Unit Owner and all persons occupying a Unit shall comply with these Bylaws.

Section 4. Office. The registered office of the Association shall be:

7100 Fishing Creek Valley Road
Harrisburg, PA 17112

or such other place as may be designated from time to time by the Executive Board.

Section 5. Incorporation of Statutory Law. The Association is organized as a non-profit corporation. Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Non-profit Corporation Law of 1988, 15 Pa. C.S. § 5101 et seq., as it may be amended from time to time. The "Board of Directors" described therein shall be referred to herein and in the Declaration as the "Executive Board."

ARTICLE II. The Association

Section 1. Composition and Responsibility. All owners of Units and the Declarant shall be members of the Association. 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 other acts that may be required or permitted to

be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these Bylaws.

Section 2. Annual Meetings. The annual meetings of the Association shall be held on the last Wednesday of June of each year unless such date shall occur on a legal holiday, in which event the meetings shall be held on the next full business day. At such annual meetings the Executive Board shall be elected and such other business as may properly come before the meeting may be transacted.

Section 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.

Section 4. Special Meetings.

(A) The President may call a special meeting of the Association, and shall do so if directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least ten percent (10%) of the votes in the Association. The notice of any special meeting shall state the time, place and agenda items thereof. Such meeting shall be held within forty-five days after receipt by the President of such resolution or petition; provided, however if the purpose includes the consideration of a budget or capital expenditure pursuant to Article V, Section 10 below such meeting shall be held within fifteen days after receipt by the President of such 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 to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which at least one (1) and not less than twenty-five percent (25%) of the five (5) Executive Board members shall be elected by Unit Owners other than Declarant.

(C) Within sixty (60) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than Declarant, a special meeting of the Association shall be held at which at least thirty-three and one-third percent (33-1/3%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

(D) Within sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which the members of the Executive Board shall be elected by Unit Owners, including the Declarant.

(E) Consistent with the foregoing, for a period of time not to exceed seven (7) years after the date of recording this Declaration, or the earlier of (1) sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than a Declarant; or (2) two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business, Declarant may, at its option, control the Association, and shall specifically have the power to appoint and remove officers and members of the Executive Board.

(F) Notwithstanding the foregoing, if any meeting required pursuant to Sections 4(b) and/or (c) could be held on the date an annual meeting of the Association is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

Section 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 ten but not more than sixty days, and of each special meeting of the Unit Owners at least ten but not more than forty-five days, prior to such meeting, stating the time, place and agenda items thereof, including, without limitation, any proposed budget or assessment changes, the general nature of any proposed amendment to the Bylaws or Declaration, and any proposal to remove an Executive Board member or Officer. The giving of notice in the manner provided in this Section and Article VIII, Section 1 shall be considered service of notice.

Section 6. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

Section 7. Voting. Voting at all meetings of the Association shall be on the basis of one Unit, one vote. If the owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such unit shall be the natural person named in a certificate executed by each entity pursuant to its governing documents. If the owner of a Unit is a trust, the trustee or trustees shall be deemed to be the owner for voting purposes. 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 natural 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 natural person who shall be entitled to cast the vote of such Unit shall be the natural person owning such Unit who is present. If more than one of the multiple Owners is present, then such vote shall be cast only in accordance with their unanimous agreement. There shall be deemed to be unanimous agreement if any one of the multiple Owners casts the vote allocated to that Unit without protest being

made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the natural 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 Declaration or these Bylaws, a majority vote of Unit Owners 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. In all elections for Executive Board members, each Unit shall be entitled to cast one vote for each vacancy to be filled at such election. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. Except as set forth in Article II, Section 4(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.

Section 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 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. A proxy is void if it is not dated or purports to be revocable without notice.

Section 9. Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of twenty percent or more of the members of the Association at the commencement of all meetings shall constitute a quorum of the Unit Owners Association. If a meeting is adjourned pursuant to Article II, Section 6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast ten percent 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.

Section 10. Conduct of Meetings. The President (or in the President's absence, the Vice 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 Declaration, these Bylaws or the Act.

Section 11. Books and Records. The Association shall keep appropriate, complete and accurate books or records. Said books and records shall be available for inspection and copying by participating Unit Owners, their agents or attorneys, upon three days written notice.

ARTICLE III. Executive Board

Section 1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of five natural persons, all of whom shall be Unit Owners or designees of the Declarant.

Section 2. Election and Term of Office.

(A) At the annual meeting of the Association, subject to Article IX of the Declaration, the election of members of the Executive Board shall be held. Such members shall be elected by written ballot. The term of office of any Executive Board member to be elected (except as set forth in Article II, Section 4(b) and (c) and Article III, Section 4) shall be three years. The members of the Executive Board shall hold office until the earlier 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 elected by the Unit Owners shall be nominated for election 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 ten Units, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or personally deliver the submitted items to every Unit Owner along with the notice of such meeting; and

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

Section 3. Removal or Resignation of Members of the Executive Board. The Unit Owners, by a two-thirds vote of all persons present and entitled to vote at a meeting of the Unit Owners at which a quorum is present, may remove any one or more of the members of the Executive Board with or without cause, other than a member appointed by Declarant. A successor may then and there be elected to fill the vacancy created. 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 ten 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. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. The 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 until the required resignation date specified in the Declaration.

Section 4. Vacancies. Except as set forth in these Bylaws with respect to members appointed by the Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of Unit Owners shall be filled by a vote of a majority of the remaining members 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. Each person so elected shall be a member of the Executive Board until the next annual meeting of the Association, at which time the Unit Owners shall elect a successor to serve the remainder of the term (if any). In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

Section 5. Organizational Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at the annual meeting.

Section 6. 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 every four months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, personally or by mail or telecopy, at least three business days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Executive Board may be called by the President on at least three business days notice to each member, given

personally or by mail or telecopy, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President in like manner and on like notice on the written request of at least two members of the Executive Board.

Section 8. 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.

Section 9. Quorum of the Executive Board. At all meetings of the Executive Board, a quorum is deemed present throughout any meeting if the persons entitled to cast 50% of the votes on the board are present at the beginning of the meeting. The votes of a majority of members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 10. Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

Section 11. 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. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Act, the Declaration, or these Bylaws.

Section 12. 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.

Section 13. 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 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 authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; 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.

Section 14. Inclusion of Interested 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 approves, authorizes, or ratifies a contract or transaction of the type described in Section 13.

Section 15. Committees. The Executive Board may establish one or more permanent or temporary committees, as it deems necessary. These committees may be composed of Board members, officers, and/or other Unit Owners. Committees may submit recommendations and reports to the Executive Board, but may not take action on behalf of the Association unless the Board authorizes it to do so, consistent with the Act, the Declaration, and these Bylaws.

ARTICLE IV. Officers

Section 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 officers may, but need not, be members of the Executive Board. An officer other than the President may hold more than one office.

Section 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.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, with or without cause.

Section 4. Vacancies. Vacancies shall be filled by the Executive Board following the procedures and qualifications specified in Article IV, Section 1.

Section 5. 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 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 such office at such time as the President ceases to be a member of the Executive Board.

Section 6. 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 such other duties as shall from time to time be delegated or assigned to the Vice President by the Executive Board or the President. The Vice President shall cease holding such office at such time as the Vice President ceases to be a member of the Executive Board.

Section 7. 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 mortgages 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 Section 5407 of Title 68 and Article V, Sections 5 and 8 of these Bylaws.

Section 8. Treasurer. The Treasurer shall have 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 or the Association, 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. The Treasurer shall prepare a statement of assets and liabilities of the Association as of the end of each fiscal year.

Section 9. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$5,000 shall be executed by any two officers of the Association. All such instruments for expenditures or obligations of \$5,000 or less may be executed by any one officer of the Association.

Section 10. 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 out-of-pocket expenses incurred in performing such officer's duties; provided, however, that the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE V. Common Expenses and Budgets

Section 1. 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 Declaration.

Section 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 as to which it is the responsibility of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget may also include such reasonable amounts as the Executive Board considers

necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

(B) On or before the next succeeding fifth day of November, the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner who is a member of the Association a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. The Board shall also send each participating Unit Owner a copy of the statement of assets and liabilities prepared by the Treasurer for the most recently completed fiscal year. Such budget shall constitute the basis for determining each Unit Owner's assessment for General Common Expenses for the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 10 below.

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

Section 3. Assessment and Payment of Common Expenses. The Executive Board shall calculate the monthly assessments for General Common Expenses against each Unit as follows:

(A) The Board shall estimate the amount needed to fund the Association and its activities during the fiscal year and the amount of revenue from initiation fees for the fiscal year.

(B) The Board shall determine the amount necessary from monthly assessments to balance the budget. Monthly assessments shall be due and payable on the first day of each month and shall be a lien against each Unit as provided in the Act. Within ninety 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 by way of a special assessment, as the Executive Board may determine.

Section 4. Reserves. The Executive Board may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves.

Section 5. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to this Article or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reason therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such assessments. Such assessments shall be a lien as of the effective date.

Section 6. Initiation Fees. All units in Brynfield shall be subject to an initiation fee each time the property is conveyed. This sum shall be paid to the Association and used for any purpose for which the Association is authorized to spend money.

Section 7. Initial Budget. At or prior to the time that 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.

Section 8. Delivery of Approved Budget and Notice of Capital Expenditures; Effect of Failure to Prepare or Adopt Budget. The Executive Board shall deliver to all participating Unit Owners copies of each budget approved by the Executive Board and notice of any capital expenditure approved by the Executive Board promptly after each such approval. 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 participating Unit Owner's obligation to pay such Unit Owner's 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 participating Unit Owner shall continue to pay each assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 9. Accounts; Audits. All sums collected by the Executive Board with respect to assessments against participating 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 each year by an independent accountant retained by the Executive Board.

Section 10. Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Association, by majority vote of all

votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty days after approval by the Executive Board.

Section 11. Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article. 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 for 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 five days following a written request therefor to the Executive Board and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments with respect to the time period covered by such statement, in excess of the amount therein set forth.

Section 12. Collection of Assessments. The Executive Board shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner that remain unpaid more than thirty days from the due date for payment. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of five percent of the overdue assessment in addition to interest at the rate of fifteen percent per annum or such other rate as may be determined by the Executive Board.

Section 13. Statement of Common Expenses. The Executive Board shall promptly provide any participating Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner.

Section 14. Obligation of Declarant. Until the date seven years from the date of the recording of this Declaration, Declarant will pay any difference between the amount of the Association's annual expenses and the amount of its revenues.

ARTICLE VI. Compliance and Default

Section 1. Relief. Each participating Unit Owner shall be governed by, and shall comply with, all the terms of the Act, the Declaration, these Bylaws, and the Rules and Regulations as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a participating Unit

Owner shall entitle the Association, acting through its Executive Board, 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 Units 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 proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as determined by the court.

(C) No Waiver of Rights. The failure of the Association, the Executive Board or a participating Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Act, the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Executive Board or the participating 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 participating Unit Owner pursuant to any term, provision, covenant or condition of the Act, the Declaration, these Bylaws or the Rules and Regulations 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 Act, the Declaration, these Bylaws, or the Rules and Regulations 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 or the breach of any provision of the 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. Amendments

Section 1. Amendments to Bylaws. These Bylaws may be modified or amended only by a majority vote of participating Unit Owners at a meeting duly called and attended by a quorum, except as otherwise expressly set forth herein or in the Act; provided, however, that until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign pursuant to Article IX of the Declaration, the following Bylaw sections may not be amended without the consent in writing of the Declarant: (i) Article II, Section 4, (ii) Article III, Section 1, and (iii) this Section. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. HUD/VA has the right to veto amendments to these By-Laws during the period of Declarant control.

Section 2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these Bylaws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.

Section 3. Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE VIII. Miscellaneous

Section 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 prepaid by United States mail (i) if to a Unit Owner, at the 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 Owner, or (ii) if to the Association, the Executive Board or the Declarant, at the principal office of the planned community or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is

owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 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.

Section 3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

DATE: _____, 2000