

BY-LAWS

OF

WESTWOOD VILLAGE COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name and Location. The name of this corporation is WESTWOOD VILLAGE COMMUNITY ASSOCIATION, INC. (hereinafter referred to as the "Association"). Its initial principal office is located at 5082 Lilac Lane, Harrisburg, Pennsylvania or at such other place as the Board of Directors may from time to time designate.

ARTICLE II

DEFINITIONS

Section 1. Definitions. The following words when used in these By-Laws shall have the following meanings:

(a) "Developer" shall mean and refer to M.L.W. Construction Corporation, a Maryland corporation.

(b) "Declaration" shall mean and refer to that certain Declaration of Covenants and Restrictions, Westwood Village Community Association, Inc., Phase I, dated January 29, 1975, by

M.L.W. Construction Corporation, and recorded in the land records of Cumberland County, Pennsylvania, together with any amendments thereto or any Supplemental Declarations adopted pursuant thereto.

(c) "Community Facilities" shall mean and refer to the real property described in Exhibit A to the Declaration and any other real property which may be deeded by the Developer to the Association together with the improvements erected and to be erected thereon and any related fixtures or personal property.

(d) "The Properties" shall mean and refer to all real property which becomes subject to the Declaration other than the Community Facilities.

(e) " Dwelling Unit " shall mean and refer to any portion of a building situated upon The Properties and designated and intended for use and occupancy as a residence by a single family, and may include units so designated under the Unit Property Act of Pennsylvania, single family homes or units in a multifamily Building.

(f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any individual Dwelling Unit or to any building containing more than one Dwelling Unit under single ownership, and situated upon The Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to any person or entity which holds such interest merely as security for the performance of an obligation, including a mortgagee, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(g) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article iii hereof.

### ARTICLE III

#### MEMBERSHIP; VOTING. RIGHTS; ASSESSMENTS

Section 1. Total Membership. The authorized number of memberships of the Association shall be 1,852, of which no more than 926 shall be issued and outstanding at any one time. The memberships shall be of two classes A and B.

Section 2. Class A Membership. Every Owner who, by reason of the Declaration, is subject by covenants of record to assessment by the Association shall be a Class A Member of the Association. Each Class A Member shall be entitled to one vote for each Dwelling Unit which such Member individually owns of record or which is contained in a building which such Member owns of record; provided, however, that there will be no more than 926 Class A memberships, all having one vote each.

Section 3. Class B Memberships. There shall be 926 Class B memberships, all of which shall be issued to the Developer, or to its nominee or nominees. Each Class B Member shall be entitled to three votes for each Class B membership so held. As each Class A membership comes into existence and is issued, one Class B membership shall lapse and become a nullity. All Class B memberships shall lapse and become a nullity on the first to happen of the following events:

(a) When the total issued and outstanding Class A memberships equal 926; or

(b) On October 31, 1981; or

(c) Upon the written surrender of said Class B memberships by the then holders thereof for cancellation.

Section 4. Membership Assessments. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed

against each Owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Declaration to which The Properties are subject, which is recorded in the land records of Cumberland County, Pennsylvania and which provides as follows:

(a) Covenant for Assessments and Creation of Lien and Personal Obligation. The Developer for each Dwelling Unit owned by it or to be created by it within The Properties hereby covenants and each Owner of any individual Dwelling Unit or any building containing more than one Dwelling Unit by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges as provided herein, and (ii) special assessments to be fixed, established and collected from time to time, as hereinafter provided. The annual assessments and special assessments, together with interest thereon and costs of collection shall be a charge on the Dwelling Unit or the building containing multiple Dwelling Units which an Owner owns of record and shall be a continuing lien upon the Dwelling Unit or the building containing multiple Dwelling Units which an Owner owns of record and against which such assessment is made from the time such assessment is made until paid in full; provided, however, that, where any portion of The Properties has been submitted to the Unit Property Act, no part of the Common Elements of such portion of The Properties shall be subject to assessment by the Association. Each assessment, together with interest thereon and costs of collection, shall also be the joint and several personal obligation of the person, group of persons or entity who was the Owner of the assessed property at the time when the assessment became due. Assessments made by the Association, prior to such time as the Developer has transferred title to the Community Facilities set forth in Exhibit A to the Association, shall be paid to the Developer to the extent required to fulfill the purposes set forth in paragraph (b) below, but shall not exceed the annual sum of \$100.00 for each Dwelling Unit, and none of the funds derived from such assessments may be devoted to expenditures for capital improvements which are the sole responsibility of the Developer.

(b) Purpose of Assessment. The assessments levied by the Association shall be used for the purpose of promoting the recreation, scenic enjoyment, health, welfare and safety of the Members and in particular for the maintenance of the Community Facilities, including, but not limited to, the payment of:

(i) All operating expenses of the Community Facilities, including services furnished; and

(ii) The cost of necessary management and administration, including fees paid to any Management Agent; and

(iii) Taxes and assessments levied against the Association or upon any property which it may own or which the Association is otherwise required to pay; and

(iv) The cost of fire and extended coverage insurance, comprehensive liability insurance, fidelity insurance and the cost of such other insurance as the Association may procure; and

(v) The cost of funding an adequate reserve fund for replacement of the improvements included in the Community Facilities; and

(vi) The cost of repairs, maintenance and replacements of the Community Facilities.

(c) Annual Assessment. It shall be the duty of the Board of Directors of the Association to determine the amount of the annual assessment for each Dwelling Unit (including Dwelling Units in a building under single ownership) for each assessment year. The annual assessment shall be the same for each Dwelling Unit in an assessment year; provided, however, as The Properties are expanded to include more Dwelling Units or as additional Community Facilities are obtained within any given assessment year, an appropriate and uniform adjustment of the remaining installments of such assessment shall be made in accordance with the aforesaid standard of treating each Dwelling Unit alike for each full calendar month during which it was part of The Properties, regardless of its size or location. The annual assessment for any Dwelling Unit for any assessment year (after the first annual assessment as provided below) shall become due and payable and a lien against the Dwelling Unit or building containing multiple Dwelling Units on the first day of the first month of each calendar year upon which it became part of The Properties. The Board of Directors of the Association shall give written notice of the annual assessment to each Owner at least thirty days prior to the first day of each assessment year and shall give further written notice of changes in assessments resulting from expansion of The Properties or Community Facilities as soon as practicable after the facts of such expansion are known. Assessments must be made on the basis of equal monthly installments within any assessment period except as affected by changes resulting from expansion of The Properties or the Community Facilities, said installments shall be payable in advance on the first day of each calendar month.

d) Special Assessments. In addition to the annual assessment authorized above, the Association may from time to time levy a special assessment for the purpose of defraying in whole or in part the cost of any reconstruction or unexpected repair of an improvement located upon the Community Facilities, including the necessary fixtures and personal property related thereto; provided, however, that any special assessment shall only be levied by a resolution approved by a majority vote of each Class of Members (based upon the entire outstanding memberships of each Class) at a meeting duly called for such purpose at which a quorum is present, written notice of which shall have disclosed the purpose of the meeting and shall have been sent to all of the Members at least thirty days in advance of such meeting. The due date for the payment of any special assessment shall be fixed in the resolution authorizing such assessment. Any special assessment levied by the Association

pursuant to this paragraph shall be the same per Dwelling Unit (including Dwelling Units in a building under single ownership).

(e) Commencement of Annual Assessment. The annual assessment period shall commence on the first day of the month following the first conveyance by the Developer to the Owner of any Dwelling Unit. The first annual assessment shall be made for the balance of the assessment year and shall become due and payable and a lien on the Dwelling Units as of the date of conveyance of the first Dwelling Unit as aforesaid.

(f) Reserve for Replacements. The Association must establish and maintain an adequate reserve fund for replacements by the allocation and payment (from each month's installments of the annual assessment) to such reserve fund of an amount to be designated from time to time by the Board of Directors of the Association. Such fund shall be conclusively deemed to be a common fund of the Association and shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the Members. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of said Board of Directors, be invested in obligations which are fully guaranteed as to principal by the United States of America. The reserve may be expended only for replacements of the Community Facilities. The proportionate interest of any Member in such reserve shall be considered an appurtenance of his Dwelling Unit (including Dwelling Units included in a building under single ownership) and shall not be separately withdrawn, assigned or transferred or otherwise separated from the property to which it appertains and shall be deemed to be transferred with such Dwelling Unit or Units.

(g) Assessment Certificates. The Board of Directors of the Association shall prepare and maintain a roster of the Dwelling Units (including Dwelling Units within a building under single ownership) and the annual and special assessments and charges currently applicable thereto and shall make such roster available for inspection of Members upon request. The Association shall, upon demand, at any reasonable time, furnish to any Owner liable for any assessment or to any first mortgagee of a Dwelling Unit or building containing Dwelling Units a certificate in writing signed by an officer or other authorized agent of the Association, stating whether such assessment or charge is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment or charge therein stated to have been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.

(h) Non-Payment of Assessment. Any assessment or installment thereof levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with interest thereon and costs of collection as hereinafter provided, become a continuing lien upon the Dwelling Unit or building

containing multiple Dwelling Units against which such assessment is levied pursuant to this Article. All assessments shall bind such Dwelling Unit or building in the hands of an Owner, his heirs, devisees, personal representatives, successors and assigns. The obligation of such Owner to pay such assessment, however, shall also remain such Owner's personal joint and several obligation for the statutory period.

i) Remedies. If any assessment or installment thereof is not paid within thirty days after the due date thereof established by the Board of Directors of the Association, the delinquent amount shall bear interest from the due date thereof until paid at a lawful rate established by resolution of the Board of Directors of the Association at the beginning of each assessment year. The Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the Dwelling Unit or building containing multiple Dwelling Units in the manner provided by law. In either event, the Association shall recover from such Owner or out of the proceeds of foreclosure accrued interest and costs of collection, including but not limited to, reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments provided on this Declaration by non-use of the Community Facilities or by abandonment or non-use of his Dwelling Unit or Units.

(j) Subordination of Lien. The lien of the assessment provided for in this Declaration shall be subordinate to (i) the lien of any real estate taxes or general or special assessments by the local taxing authorities imposed on the Dwelling Units or building containing multiple Dwelling Units, (ii) the lien of any first mortgage now or hereafter placed upon any Dwelling Unit or building containing multiple Dwelling Units subject to assessment, and (iii) liens created pursuant to any Declaration Creating and Establishing a Condominium pursuant to the Unit Property Act by reason of unpaid assessment to the Council of such Condominium having jurisdiction over any Dwelling Unit or Units. In addition, a first mortgagee of any Dwelling Unit or building containing multiple Dwelling Units who comes into possession of a Dwelling Unit or building containing multiple Dwelling Units pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed in lieu of foreclosure, shall take the Dwelling Unit or building free of any claims for unpaid charges or Assessments of the Association at the time (but not after the time), such mortgagee comes into possession of the Dwelling Unit or building (except for claims for a pro rata share of such charges or assessments resulting from a pro rata reallocation of such charges of assessments to all Dwelling Units including the mortgaged premises).

Section 5. Suspension of Membership Rights. The membership rights (except for the rights to the use of the streets, roadways and parking areas) of any person whose interest in The Properties is subject to assessments by the Association, whether or not he

be personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when the assessments or any installment thereof remain unpaid, but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Board of Directors shall, have adopted and published rules and regulations governing the use of the Community Facilities, and the personal conduct of any person thereon violates any such rule or regulation, then the Board of Directors may, in their discretion, suspend any voting rights and the rights to the use of the Community Facilities (except for the rights to the use of the streets, roadways and parking areas) for a period not to exceed thirty days.

Section 6. Delegation of Rights. Any Member may delegate his right of enjoyment of the Community Facilities to (a) members of his family, (b) his guests, and (c) his tenants who reside within a Dwelling Unit and their families and guests, subject, however, to the provisions of these By-Laws and the rules and regulations which may be adopted by the Board of Directors as hereinafter provided.

#### ARTICLE IV

##### MEETING OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the Members shall be held at such time as the Board of Directors shall determine, but shall be held, in any event, within one year of the date of incorporation of the Association. Thereafter, the annual meetings of the Members of the Association shall be held on the first Wednesday of May each succeeding year. At such meeting, there shall be elected by plurality ballot of the Members a Board of Directors in accordance with the requirements of Section 4 of Article V of these By-Laws. Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meeting. It shall be the duty of the President to call a special meeting of Members as directed by resolution of the Board of Directors or upon a petition being presented to the Secretary which is signed by the Class A Members then entitled to cast one-fourth (1/4th) of the votes of the Class A membership. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail postpaid a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member at his address as it appears in the records of the Association at the time of mailing or the address supplied by any Member of the Association for the purpose of notice, at least ten but not more than ninety days prior to such meeting; provided, however, that at least thirty days notice shall be given for meetings called to consider special assessments or to amend these By-Laws. Notice by either method shall be deemed given when such notice is deposited in the mails. Attendance by a Member at any meeting of Members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. Except as otherwise required by these By-Laws, the presence, either in person or by proxy, of Members representing at least fifty-one percent of the eligible votes held by the then Members of record of each Class, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

Section 7. Voting. At every meeting of Members, each Class A Member shall have the right to cast on each question one vote for each Class A membership which he holds. Each Class B Member shall have the right to cast on each question three votes for each Class B membership which he holds. Fifty-one percent (51%) of the eligible votes entitled to be cast by Members present at the meeting, and voting, in person or by proxy, shall be a majority unless the question is one upon which, by express provision of statute or of the Articles of Incorporation of the Association, or of the Declaration or of these By-Laws, a different majority or other vote is required, in which case such express provision shall govern. If more than one person or entity is an Owner, then the Association membership voting right appurtenant to such Owner shall be exercised as such persons or entities among themselves shall determine; provided however, that no fraction of one vote may be cast by any Member. In the event and so long as such persons or entities are unable to agree on the manner in which the vote shall be cast, then such vote shall not be regarded as an eligible vote and shall not be counted. The vote of any Owner who is a corporation, trust or partnership may be cast by any officer, trustee or partner, as the case may be, and unless objection by any other such officer, trustee or partner of such Owner is noted at the meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote.



Section 8. Proxies. A Member may appoint any other Member or the Developer or the Management Agent as his proxy. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the Member.

Section 9. Order of Business. The order of business at annual meetings of Members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports Of committees, if any.
- (f) Unfinished business.
- (g) New Business.
- (h) Appointment of inspectors of election.
- (i) Election of directors.

In the case of special meetings, items (a) through (e) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

## ARTICLE V

### BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The affairs of the Association shall be governed by the Board of Directors composed of at least five: natural persons. After the lapse of all of the Class B memberships as provided in Article III of these By-Laws, all Directors shall be Members.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the operation, maintenance and administration of the Community Facilities and the affairs of the Association and may do all such acts and things as are not by law, the Articles of Incorporation, the Declaration or these By-Laws directed to be exercised and done by the Members. The powers and duties of the Board of Directors shall include, but not be limited to:

(a) Determination and collection of annual and special assessments from Members, the maintenance of a roster of assessments and charges applicable to each Owner and his Dwelling Unit or Units and the enforcement of liens th4~refor in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(b) Maintenance of a roster of first mortgagees of each Dwelling Unit or building containing multiple Dwelling Units;

(C) Designation, hiring, dismissal and obtaining of a Management Agent or of the personnel and services and materials necessary for the good working order and operation of the Community Facilities and the payment of all expenses and expenditures of the Association for which assessments are authorized by the Declaration or these By-Laws;

(d) Promulgation and enforcement of such rules and regulations and admission charges and fees and such restrictions or requirements' as may be deemed proper respecting the use and maintenance of the Community Facilities, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration;

(e) Preparation and distribution to each Member of an annual report which shall include the annual financial statements hereinafter provided and which shall summarize the operations and actions of the Association and its receipts, expenditures and reserves; and

(f) Performance of all other duties, obligations and rights of the Association and the Board of Directors as set forth in the Articles of Incorporation, Declaration or these By-Laws.

Section 3. Management Agent. The Board of Directors may employ for the Association a professional management agent [the "Management Agent"] at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize.

Section 4. Election and Term of Office. The term of the Directors named herein and the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of Members and are duly qualified. At the first annual meeting of Members, the term of office of the two Directors receiving the greatest number of votes shall be fixed at three (3) years. The term of office of the two Directors receiving the second greatest number of votes shall be fixed at two (2) years, and the term of office of the other Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and qualified.

Section 5. Vacancies/Resignation. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Members at the next annual meeting to serve out the unexpired portion of the term. Any Director may resign at any time by giving written notice of such resignation to the Board of Directors.

Section 6. Removal of Directors. At a regular meeting, or at a special meeting duly called for such purpose (but only after the first regular meeting of Members as hereinabove provided), any Director may be removed with or, without cause by a vote of fifty-one percent of the eligible votes entitled to be cast by Members, whether or not present and voting thereon. A successor may then and there be elected to fill a vacancy by majority vote of Members present and voting thereon in person or by proxy. The term of any Director who is a Class A Member and who becomes more than thirty days delinquent in payment of any assessments or charges due the Association shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 5 of this Article.

Section 7. Compensation. No compensation shall be paid to Directors for their services as Directors.

Section 8. Annual Meeting. The regular annual meeting of the Board of Directors without other notice than this By-Law, shall take place immediately after, and at the same place as, the annual meeting of Members.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings (including the annual meeting) shall be held during the fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail to his address as it appears on the records of the Association at the time such notice is mailed or personally delivered, at least six days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association on three days notice to each Director given personally or by mail as hereinabove provided, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed the equivalent of the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall

be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any resumption of business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Action Without Meeting. Any action taken by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 14. Insurance. The Board of Directors shall obtain and maintain the insurance coverages required by the Declaration.

Section 15. Easements. The Board of Directors is authorized and empowered to grant such licenses, easements, rights-of-way for utilities and other purposes as are authorized in the Declaration.

## ARTICLE VI

### OFFICERS

Section 1. Designation of Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. After the lapse of all Class B memberships as provided in Article III of these By-Laws, the officers of the Association shall be Members. The Directors may appoint an assistant secretary and an assistant treasurer. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of Members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation.

Section 5. Vice President. The Vice president shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be designated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of Members. He shall have custody of the seal of the Association and he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct. He shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for the keeping of full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

## ARTICLE VII

### FISCAL MATTERS; SEAL

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin on the date of incorporation.

Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting principles. The same shall include books with detailed accounts, in chronological order, of the receipts and of the expenditures of the Association and its administration and shall specify the maintenance and repair expenses of the Community Facilities and any other expenses incurred. An account of any reserves established by the Board of Directors, including additions thereto and disbursements thereof, shall also be maintained. That amount of any assessment required for payment of any capital expenditures or reserves related thereto of the Association shall be credited upon the books of the Association to the "Paid-in-Sur-plus" account as a capital contribution by Members.

Section 3. Inspection of Books. The books and accounts of

the Association shall be available for examination by Members or their duly authorized agents or attorneys, and to first mortgagees of record of any Dwelling Unit or building containing multiple Dwelling Units or their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests.

Section 4. Audit. At the close of each fiscal year, the books and records of the Association shall be audited by an independent certified public accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. The Association shall furnish such report and the accompanying financial statements to the Members. Copies of such report and statements shall also be furnished to any first mortgagee of any Dwelling Unit or building situated within the Properties.

Section 5. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary.

## ARTICLE VIII

### AMENDMENTS

Section 1. Amendments. These By-Laws may be amended by a resolution approved by a majority vote of each Class of Members based upon the entire outstanding memberships of each Class at a meeting duly called for such purpose at which a quorum is present, written notice of which shall have disclosed the purpose of the meeting and described the proposed amendment, and which shall have been sent to all of the Members at least thirty days in advance of such meeting; provided, however, that no such amendment shall be passed which would make these By-Laws inconsistent with the Declaration or which would alter the rights of first mortgagees of record as set forth in the Declaration or these By-Laws unless the requisite number of first mortgagees have given their approval as required by the Declaration.

## ARTICLE IX

### MISCELLANEOUS

Section 1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

Section 2. Committees. The Board of Directors may, from time to time, appoint such committees as it considers necessary or appropriate from the membership of the Corporation, each of which shall consist of a chairman and at least two (2) other

members. Any committee so appointed shall serve at the pleasure of the Board of Directors.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not to be used to interpret or define the provisions of these By-Laws.

Section 6. Number and Gender. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.