

PROPOSED AMENDMENT TO THE ALLENVUE HOME OWNERS ASSOCIATION BY-LAWS

PRESENT ARTICLE III (Membership), SECTION 2, SUBSECTION 6:

Quorum for Any Action Authorized Under Sections 4¹ and 5²

The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows: At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

- ¹ ^s Special Assessments for Capital Improvements
- ² Change in Basis and Maximum of Annual Assessments

AS PROPOSED:

Quorum for Any Action Authorized Under Sections 4 and 5

The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows: At any meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast thirty (30) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5.

as approved

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to The Allenview Home Owners Association, Incorporated, a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania.

Section 2. "The Properties" shall mean and refer to Allenview Planned Residential Development, Stage I, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article VI, Section 2, herein.

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, swimming pools, commons, streets, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within The Properties.

ARTICLE II

Location

Section 1. The principal office of the Association shall be located at 5001 Carlisle Pike, Mechanicsburg, Pennsylvania 17055, Cumberland County.

ARTICLE III

Membership

Section 1. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot (or Living Unit) which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. 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 of Covenants and Restrictions to which The Properties are subject and recorded in Miscellaneous Book Volume 226, Page 24, Office for Recording of Deeds, Cumberland County, December 30, 1976, and which provide as follows:

1. Creation of the Lien and Personal Obligation of Assessments.

The Developer for each Lot (and Living Unit) owned by him within The Properties hereby covenants and each Owner of any Lot (or Living Unit) by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special

assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof.

3. Basis and Maximum of Annual Assessments. From and after January 1, 1979, annual assessments may be levied, said assessments shall be levied and applied in accordance with Article V, Section 3, of the revised Declaration of Covenants and Restrictions recorded on the ____ day of ____, 19__, in Book ____, Page ____, in the Recorder of Deeds Office, Cumberland County.

4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Sections 3 hereof shall not apply to any change in the maximum and basis

of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2, of the Declaration of Covenants and Restrictions.

6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows: At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first

year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot (or Living Unit) for each assessment period of at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed

by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

9. Effect of Non-Payment of Assessment: The Personal Obligation of Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of six (6) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include

interest on the assessment as above provided a reasonable attorney's fee to be fixed by the court together with the costs of the action.

10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1, of the Declaration of Covenants and Restrictions; (c) all properties exempted from taxation by the laws of the Commonwealth of Pennsylvania, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

Section 3. The membership rights of any person whose interest in The Properties is subject to assessments under Article III, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

Voting Rights

Section 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in Article III, Section 1, of the Declaration of Covenants and Restrictions, with the exception of the Developer. Class A members shall be entitled to one vote for each Lot (or Living Unit) in which they hold the interests required for membership by said Section 1. When more than one person holds such interest or interests in any Lot (or Living Unit) all such persons shall be members, and the vote for such Lot (or Living Unit) shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot (or Living Unit).

Class B. Class B members shall be the Developer. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Section 1 (and for every Living Unit in any Multifamily Structure owned by it until such Unit is first sold or leased), provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class-A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 2009.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot (or Living Unit) in which it holds the interests required for membership under Section 1.

(For purposes of determining the votes allowed under this Section, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.)

ARTICLE V

Property Rights and Rights of Enjoyment of Common Property

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by deed of dedication and

Article IV, Declaration of Covenants applicable to The Properties, which provides as follows:

1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot (or Living Unit).
2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision herein, the Developer hereby covenants, for itself, its heirs and assigns that it shall convey the Common Properties to the Association, free and clear of all liens and encumbrances, not later than January 1, 2009.
3. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:
 - (a) the right of the Developer and of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition

to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) the right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(e) the right of individual Members to the exclusive use of parking spaces as provided in Section 4 hereof; and

(f) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an

instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least ninety (90) days in advance of any action taken.

4. Parking Rights. The Association shall maintain upon the Common Properties at least one parking space for each Multifamily Living Unit. Subject to reasonable rules and conditions, the Association shall designate at least one parking space conveniently located with respect to each Living Unit for the exclusive use of the Members residing therein, their families and guests. The use of such space by any other Member or person may be enjoined by the Association or the Members entitled thereto. The right to the exclusive use of such parking space and to its maintenance and designation by the Association shall be appurtenant to and shall pass with the title to each Living Unit.

Section 2. Any Member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon The Properties or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the Member.

ARTICLE VI

Association Purposes and Powers

Section 1. The Association has been organized for the following purposes: To promote the health, safety, and welfare of the residents within Allenvue Planned Residential Development, Stage I, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided in Article VI of the Articles of Incorporation, hereafter referred to as "The Properties," and for this purpose to:

- (a) own, acquire, build, operate, and maintain recreation parks, playgrounds, swimming pools, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "The Common Properties and Facilities";
 - (b) provide exterior maintenance for the lots and homes within The Properties;
 - (c) provide garbage and trash collection;
 - (d) maintain unkempt lands or trees;
 - (e) supplement municipal services;
 - (f) fix assessments (or charges) to be levied against The Properties;
 - (g) enforce any and all covenants, restrictions and agreements applicable to The Properties;
 - (h) pay taxes, if any, on The Common Properties and Facilities;
- and

(i) insofar as permitted by law, to do any other thing, that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of The Properties.

Section 2. Additions to The Properties described in Section 1 may be made only in accordance with the provisions of the recorded covenants and restrictions applicable to said properties. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties and membership of this corporation to such properties. Where the applicable covenants require that certain additions be approved by this corporation, such approval must have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 3. Subject to the provisions of the recorded covenants and restrictions applicable to The Properties described in Section 1, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 4. The corporation shall have power to mortgage its properties only to the extent authorized under the recorded covenants and restrictions

applicable to said properties. The total debts of the corporation, including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of thirty (30) years' assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. The quorum required for any action governed by Sections 2, 3, and 4 of this Article shall be as follows:

At the first meeting duly called as provided therein, the presence of Members, or of proxies, entitled to cast sixty (60) per cent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in said Sections, and the required quorum at any subsequent meeting shall be one half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE VII

Board of Directors

Section 1. The affairs of the corporation shall be managed by a board of nine (9) directors who need not be members of the corporation. The

initial board of directors shall consist of nine (9) directors who shall hold office until the election of their successors for the terms stated in Article XVII of the Articles of Incorporation. Beginning with the first annual meeting to be held February, 1979, the Members, at each annual meeting, shall elect three (3) directors each for a term of three (3) years.

Section 2. Vacancies in the Board of Directors shall be filled by the (majority of (if more than three)) remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII

Election of Directors: Nominating Committee; Election Committee

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to The Properties. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the

Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nomination may be made from among Members or non-members, as the Committee in its discretion shall determine, provided that the Committee shall seek suggestions from all corporate mortgage lenders who hold home mortgages within The Properties and shall so exercise its discretion in the matter of nominations that there shall be, at all times, at least one member of the Board of Directors who represents the interests of such mortgage lenders. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to members to commence with the annual meeting in 1980.

Section 5. Commencing with annual meeting in 1980, all elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each member shall receive as many ballots as he has votes. Notwithstanding that a Member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address: 5001 Carlisle Pike, Mechanicsburg, Pennsylvania 17055.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) Members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

- (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member or his proxy identified on the outside envelope containing them; and
- (b) that the signature of the Member or his proxy on the outside envelope is genuine; and
- (c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XIV, Section 2, and that such proxy is valid.

Such procedure shall be taken in such manner that the vote of any Member or his proxy shall not be disclosed to anyone, even the Election Committee. The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX

Powers and Duties of the Board of Directors

Section 1. The Board of Directors shall have power:

- (a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.

- (b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.
- (c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2.
- (d) To adopt and publish rules and regulations governing the use of the Common Properties and Facilities and the personal conduct of the Members and their guests thereon.
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to Members in the covenants.
- (f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 2. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special

meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.

- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As more fully provided in Article V of the Declaration of Covenants applicable to The Properties:
 - (1) To fix the amount of the assessment against each lot (property) for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
 - (2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member, and at the same time;
 - (3) To send written notice of each assessment to every owner subject thereto.
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

Directors' Meetings

Section 1. A regular meeting of the Board of Directors shall be held quarterly at a time and place selected by the Board of Directors.

Section 2. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

Section 3. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 4. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

Officers

Section 1. The officers shall be a president, a vice-president, a secretary, and a treasurer. The president and the vice-president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by majority vote of the directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice-president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members (see Article XIII, Section 3).

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall sign all checks and notes of the

Association, provided that such checks and notes shall also be signed by the president or the vice-president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XII

Committees

Section 1. The Standing Committees of the Association shall be:

The Nominations Committee
The Recreation Committee
The Maintenance Committee
The Architectural Control Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Architectural Control Committee shall have the duties and functions described in Article VII, Declaration of Covenants and Restrictions applicable to The Properties. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of The Properties and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8. The treasurer shall be an ex officio member of the Committee.

Section 8. With the exception of the Nominations Committee, and the Architectural Control Committee (but then only as to those functions that are governed by Article VII, Declaration of Covenants and Restrictions applicable to The Properties), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII

Meetings of Members

Section 1. The regular annual meeting of the Members shall be held during the month of February each year at a time, date and place to be selected by the Board of Directors.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two or more members of the Board of Directors, or upon written request of the Members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership or who have a right to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to the Member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting regular or special shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties shall require a quorum as therein provided.

ARTICLE XIV

Proxies

Section 1. At all corporate meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and

every proxy shall automatically cease upon sale by the Member of his home or other interest in The Properties.

ARTICLE XV

Books and Papers

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Members.

ARTICLE XVI

Corporate Seal

Section 1. The Association shall have a seal in circular form having within its circumference the words: The Allenvue Home Owners Association.

ARTICLE XVII

Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of each class of Members present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Covenants and Restrictions applicable to

The Properties may not be amended except as provided in such Covenants;
and Restrictions.

Section 2. In the case of any conflict between the Articles of
Incorporation and these By-Laws, the Articles shall control; and in the case
of any conflict between the Covenants and Restrictions applicable to The
Properties referred to in Section 1 and these By-Laws, the Covenants and
Restrictions shall control.

IN WITNESS WHEREOF, we, being all the Directors of The Allenvue
Home Owners Association, Incorporated, have hereunto set our hands this

_____ day of _____, 19____.

Allenview Homeowners Association

APPROVED AMENDMENT TO THE ALLENVIEW HOMEOWNERS ASSOCIATION BY-LAWS (effective 2/29/88)

Accepted to add the following to, ARTICLE IX (Powers and Duties of the Board of Directors), SECTION 3:

Section 3. Liability and Indemnification

(a) Subject to the limitation hereinafter set forth the Association shall indemnify each director, officer or employee of the Association or of any organization that he is serving as a director, officer or employee at the request of the Association, and his heirs, executors or administrators, to the extent permitted by law, against all judgments, fines and liabilities and/or reimburse him for all reasonable expense (including, but not limited to, court costs, attorneys' fees and any amount paid in any settlement), which judgments, fines and liabilities and expense were incurred or expended in connection with any claim, suit, action or proceeding, whether civil, criminal, administrative or investigative, in which he was involved because of anything he may have done or omitted to do as a director, officer or employee of the Association or of any organization that he may have served as a director, officer or employee at the request of the Association, -- but such indemnification and/or reimbursement can be made only if a Determination is made as hereinafter provided that such indemnification and/or reimbursement should be made. Such indemnification and/or reimbursement shall not impair any other right any such person may have. Said indemnification and/or reimbursement can be made only if a Determination has been made, with the advice of Counsel for the Association, by members of the Board of Directors not involved in the claim or proceeding, or by a disinterested person or persons named by said member of the Board of Directors not involved in the claim or proceeding: (1) that the director, officer or employee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, and (2) that the amount of the proposed indemnification and/or reimbursement is reasonable, and (3) that the proposed indemnification and/or reimbursement is just and proper and can be legally made by the Association under then existing law, and (4) that the indemnification and/or reimbursement shall be made by the Association in an amount stated in the Determination. The indemnification provided for herein shall be available so long as the act, or failure to act giving rise to the claim for indemnification is not determined by a court to have constituted willful misconduct or recklessness. The Association shall have the power to buy and maintain insurance and to establish and fund a self-insurance indemnification reserve fund on behalf of the directors, officers and employees of the Association and a person serving at the request of the Association as a director, officer or employee of another organization, against liability incurred in any such capacity, or arising out of his status as such.

Allenview Homeowners Association

(b) A Director of this Association shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless: (1) the Director has breached or failed to perform the duties of his office in good faith, in a manner he reasonably believed to be in the best interests of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances; and (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(c) The officers of this Association are hereby authorized and empowered, for and on behalf of the Association, to take any and all actions and to do any and all things necessary or desirable, in their discretion, to carry out the intention of this Section.

Accepted to add the following to, ARTICLE XI (Officers), SECTION 10:

Section 10. Liability and Indemnification

(a) Subject to the limitations hereinafter set forth the Association shall indemnify each director, officer or employee of the Association or of any organization that he is serving as a director, officer or employee at the request of the Association, and his heirs, executors or administrators, to the extent permitted by law, against all judgments, fines and liabilities, and/or reimburse him for all reasonable expense (including, but not limited to, court costs, attorneys' fees and any amount paid in any settlement), which judgements, fines and liabilities and expense were incurred or expended in connection with any claim, suit, action or proceeding, whether civil, criminal, administrative or investigative, in which he was involved because of anything he may have done or omitted to do as a director, officer or employee of the Association or of any organization that he may have served as a director, officer or employee at the request of the Association, --but such indemnification and/or reimbursement can be made only if a Determination is made as hereinafter provided that such indemnification and/or reimbursement should be made. Such indemnification and/or reimbursement shall not impair any other right any such person may have. Said indemnification and/or reimbursement can be made only if a Determination has been made, with the advice of Counsel for the Association, by members of the Board of Directors not involved in the claim or proceeding, or by a disinterested person or persons named by said member of the Board of Directors not involved in the claim or proceeding: (1) that the director, officer or employee acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, and (2) that the amount of the proposed indemnification and/or reimbursement is reasonable, and (3) that the proposed indemnification and/or reimbursement is just and proper and can be legally made by the Association under then existing law, and (4) that the indemnification and/or reimbursement shall be made by the Association in an amount stated in the Determination.

Allenview Homeowners Association

The indemnification provided for herein shall be available so long as the act, or failure to act giving rise to the claim for indemnification is not determined by a court to have constituted willful misconduct or recklessness. The Association shall have the power to buy and maintain insurance and to establish and fund a self-insurance indemnification reserve fund on behalf of the directors, officers and employees of the Association and a person serving at the request of the Association as a director, officer or employee of another organization, against liability incurred in any such capacity, or arising out of his status as such.

(b) The officers of the Association are hereby authorized and empowered, for and on behalf of the Association, to take any and all actions and to do any and all things necessary or desirable, in their discretion, to carry out the intention of this section.