

BY-LAWS OF
HILLVUE FOREST HOMEOWNERS ASSOCIATION

a non-profit corporation

ARTICLE I

Name and Location

The name of the corporation is Hillvue Forest Homeowners Association, Inc., hereinafter referred to as the "Association" or "Hillvue Forest Homeowners Association, Inc.". The official address of the Hillvue Forest Homeowners Association, Inc. shall be P. O. Box _____, Mars, PA, Butler County, Pennsylvania 16046, but meetings of members may be held at such places within Butler County or Allegheny County, Pennsylvania, as may be designated by the Board of Directors, and meetings of the Directors may be held at such places within the County of Butler, Commonwealth of Pennsylvania, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to Hillvue Forest Homeowners Association, Inc., its successors and assigns.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants, Easements, and Restrictions for Hillvue Forest Homeowners Association, Inc. dated as of the _____ day of _____, 1992 and recorded in the Office of the Register and Recorder of Butler County, Pennsylvania at Record Book _____, Page _____ which Declaration is incorporated herein by

reference.

Section 3. All terms and words used herein shall have the same definitions and meanings as set forth in the Declaration.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings. The initial annual meeting of the members may be held upon proper notice as required hereby at any time after the Declaration is recorded but not later than one (1) year from the date of incorporation of the Association. Each subsequent regular annual meeting of the members shall be held on the second Wednesday in September each year thereafter, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday, provided the date for any regular annual meeting may be changed by a vote of the majority of all classes of membership.

Section 2. Special Meetings. Special meetings of the members may be called as expressly provided for herein and otherwise at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4th) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting, regular and/or special, of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to

vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast not less than forty percent (40%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies - Voting. At all meetings of members, each member may vote in person or by proxy or by a written ballot sent to a representative of the board. All proxies must be given by Unit Owners, shall be in writing and filed with the secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit. No Individual Unit Owner may vote more than one (1) proxy. No proxy may be voted by a member not eligible to vote. Officers or agents of corporate owners may vote and vote proxies. On grave matters, i.e. increase of quarterly homeowners' dues by more than ten percent (10%), or dissolution of the Hillvue Forest Homeowners Association, Inc., or an action that would result in increase or

decrease of Homeowners Units by more the ten percent (10%) the Board of Directors must call for a written marked ballot of all owners. Seventy-five percent (75%) of all members must vote affirmative.

ARTICLE IV

Board of Directors; Election; Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who need not be members of the Association.

Section 2. First Appointed Board. The first Board shall consist of five (5) members, to be voted in by general election of the members and shall serve until the initial annual meeting.

Section 3. Initial Elected Board/Term of Office. The Board elected at the initial annual meeting shall consist of five (5) members as hereinafter set forth.

(a) At the initial annual meeting the members shall elect two (2) directors for a term of two (2) years, and three (3) directors for a term of three (3) years.

(b) In the event more than twice the number of positions to be filled at any election of directors are nominated, a runoff election shall be held to reduce the number of nominees to a number equal to twice the number of positions to be filled. At the initial annual meeting the two (2) nominees receiving the highest number of votes shall be deemed elected for terms of two (2) years, the three (3) receiving the next highest number shall be deemed elected for terms of three (3) years.

Section 4. Method of Voting. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Cumulative voting is not permitted.

Section 5. Removal. Any director may be removed from the Board, with or without cause, only by a majority vote of the members of the Association present at a duly constituted meeting having a quorum present. In the event of death, resignation or removal of a director, his successor shall be selected by the majority vote of the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nominating Committee

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of three (3) members. The

Chairman shall be a member of the Board of Directors. The Nominating Committee shall be appointed by the President with the consent of 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 annual meeting. 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 nominations may be made from among members or nonmembers.

ARTICLE VI

Meetings of Directors

Section 1. Meetings. Regular meetings of the Board of Directors shall be held monthly without notice on such date at such place in Seven Fields Borough and such time as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President, or by any two (2) directors, after not less than seven (7) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transactions of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the operation and use of the Recreational Areas and facilities incidental thereto and the personal conduct of the Members, Residents, (as the terms are defined in the Declaration), and their guests thereon, and to establish penalties for the infraction thereof;

(b) levy reasonable admission and other fees for the use of any recreational facility situate upon the Recreation Areas by Members, Residents and their guests;

(c) suspend the voting rights and the right to use of the Association property by any Member or Resident during any period in which such Unit shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(e) exercise for the Association all other rights, powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, or the laws of the Commonwealth of Pennsylvania.

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

(a) 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 statement is requested in writing by fifty percent (50%) of the members who are entitled to vote;

(b) declare the office of any member of the Board of Directors, who is a Unit owner who resides in his Unit, to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(c) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(d) as more fully provided in the Declaration, to;

(i) determine, fix and levy upon each Unit the amount of the annual Recreation Area Assessment for the operation, maintenance and improvement of the Recreation Areas at least thirty (30) days in advance of each annual assessment period;

(ii) collect the Recreational Area assessment and any special assessments from the respective Unit Owners and to deposit the amount collected in the proper bank fund as hereinafter provided;

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(e) establish a separate and distinct Recreation Area Fund account with a banking or lending institution the accounts of which are insured by an agency of the United States of America in which shall be deposited all Recreation Area assessment amounts collected from the members and from which the costs and expenses of operating, maintaining and improving the Recreation Areas shall be paid.

(f) open, if a Reserve Replacement Fund has been established, a special trust account with a lending institution the accounts of which are insured by an agency of the United States of America, or invest the amount paid to the Fund in the obligations of or fully guaranteed as to principal by the United States of America.

(g) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) procure and maintain adequate liability and hazard insurance on property owned by the Association. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in

any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section;

(i) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(j) hire a manager, retain counsel and accountants for the Association and establish and pay salaries and fees for services rendered;

(k) cause the Recreation Areas to be maintained and the covenants in the Declaration to be enforced;

(l) generally take all action and to perform all other duties and things required to be done by the directors set forth in Declaration in the manner provided therein including without limitation actions relating to the use, care, upkeep and maintenance of the Property and the Recreation Areas and the enforcement of the rules, regulations, restrictions or requirements relating to members, Residents, and their guests.

ARTICLE VIII

Officers and Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create. All officers must be Members of the Board except the Treasurer, the Secretary and Assistant Secretaries, if any.

Section 2. Election of Officers. The election of

officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. In the event more than one (1) person is nominated for election to any office, the person with the largest number of votes of the Directors shall be elected.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. An officer may not be removed unless a majority of all the directors vote for removal. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect ten (10) business days from the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer who is also a member of the Board of Directors and who resigns or is removed as an officer shall remain a director unless and until he resigns or is removed from the Board in accordance with the provisions of Article IV hereof.

Section 6. Vacancies. A vacancy in any office may be filled by an election held by the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall cosign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall cosign all leases, mortgages, deeds, and other written instruments keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep

appropriate current records showing the members of the Association together with the addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. 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; shall cosign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

(e) Compensation. The secretary and any assistant secretary and the treasurer may be reasonably compensated for actual services rendered as may be determined by a vote of the Board. All officers may be compensated for out-of-pocket expenses.

ARTICLE IX

Committees

The President, with the consent of the Directors, may appoint such committees as deemed appropriate in carrying out the purposes of the Association. All such committees shall be responsible to the Board.

ARTICLE X

Books and Records

The books, records, and papers of the Association shall at

all times, by appointment, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

Assessments

Section 1. Recreation Area. As more fully provided in the Declaration, all Members are obligated to pay to the Association quarterly Assessments relating to the Commons, Limited Commons, Recreation Area and/or Buildings as provided for in the Declaration which are secured by a continuing lien upon the Unit which the assessment is made.

Section 2. Nonpayment. As more fully provided in the Declaration, and as set forth in Section 1 of this Article, any Recreation assessments which are not paid when due shall be delinquent. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate permitted by law, but not to exceed nine percent (9%) per annum. Said delinquent assessment shall be a lien continuing upon that Unit, and the Association through the directors may bring an action at law against the Unit Owner personally obligated to pay the same or foreclose the lien against the Unit, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for

the assessments provided for herein by non-use of any amenities or services assessed or by abandonment of his unit.

ARTICLE XII

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: "Hillvue Forest Homeowners Association, Inc."

ARTICLE XIII

Amendments

Section 1. The By-Laws may be amended at a regular or special meeting of the members where a quorum is present by a vote of a majority of each class of members present in person or by proxy, provided a copy of such amendment must be delivered to the Members at least ten (10) days prior to any such meeting.

Section 2. In 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 Declaration and these By-Laws, the Declaration shall control excepting, however, the provisions of Article IV hereof shall control as to any provisions to the contrary contained in the Declaration.

ARTICLE XIV

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Indemnification. The Association shall reimburse or indemnify each director, officer and employee of the Association, and each director, officer and employee of any

subcontractor or agent of the Corporation or Association for or against all liabilities and expenses reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the name of the association or such other corporation or association or otherwise), civil, criminal, administrative or investigative (hereinafter called "action"), in which he may become involved as a party or otherwise by reason of his being or having been such director, officer or employee, or by reason of any action taken or not taken in such capacity, whether or not he continues to be such at the time such liabilities or expenses are incurred and whether or not such action or omission to act occurred before or after the adoption of these By-Laws, provided that (a) in respect of any action by or in the right of the Association or such other association, such person was not negligent or guilty of misconduct to the Association or such other association, and (b) in all respect to all other actions such person acted in good faith in what he reasonably believed to be in the best interest of the Association or such other corporation or association and, in addition, in any criminal action had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonable believed to be in, or not opposed to, the best interest of the Association, and, with respect to any

criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 3. As used in these By-Laws the terms "liabilities and expenses" shall include but not be limited to counsel fees and expenses and disbursements and amounts of judgments, fines or penalties against, and amounts paid in settlement by a director, officer or employee, but shall not include amounts paid to the Association itself (or to such other corporation or association) unless approved by a court.

Section 4. Where such person has been wholly successful on the merits in such action, or where indemnification of such person has been awarded by a court, he shall be entitled to indemnification as of right; otherwise, including any instances where such action is terminated by a settlement, the Association shall reimburse or indemnify him only if it shall be determined that such person has met the standards set forth in Section 2, either (a) by the Board of Directors, acting by a quorum consisting of two (2) or more members of the Association other than those involved in the action, or (b) if there are not at least two (2) members then in office other than those involved in the action, by independent legal counsel, who shall deliver to the Association their written advice to such effect.

Section 5. Expenses incurred with respect to any action may be advanced by the Association prior to the final disposition thereof, upon receipt of an undertaking by such person to repay any amounts for which it shall ultimately be determined that he is not entitled to indemnification.

Section 6. The foregoing right of reimbursement or indemnification shall not be impaired by reason of any officer, director or employee of the Association being an officer, employee or third party contractor to any Developer and shall not be exclusive of other rights to which any such person may otherwise be entitled and in the event of death, shall extend to his legal representatives.

IN WITNESS WHEREOF, we being all of the directors of the Hillvue Forest Homeowners Association, Inc., have hereunto set our hands this day of

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)