

BY-LAWS OF MIDDLETON ESTATES COMMUNITY ASSOCIATION, INC.

ARTICLE I

DEFINITIONS

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, within or upon a lot, the maintenance, repair, or replacement of which is the responsibility of the Association.

Section 2. "Association" shall mean and refer to the Middleton Estates Community Association, Inc.

Section 3. "The Properties" shall mean and refer to all such existing properties, and a₍ ions thereto, as are subject to the Declaration or any Supplemental Declaration for The Middleton Estates Development.

Section 4. "Common Area" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of The Properties, and may include, the land and improvements for streets, easements, parks, playground, pedestrian ways, and any buildings, structures or appurtenances incident thereof.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

Section 6. "Residential Unit" shall mean a portion of The Properties intended for any type of independent ownership for use and occupancy as a residence by a single family.

For the purposes of this Declaration, a Residential Unit shall come into existence when s₍ antially complete or upon the issuance of a certificate of occupancy by the appropriate agency of North Middleton Township or other local governmental entity.

Section 7. "Single Family Attached Dwelling (Townhouse)" shall mean a building used by one family and having one dwelling unit and one or two party walls in common with other living unit(s).

Section 8. "Owner" shall mean and refer to one or more persons or entities who hold the record title to any Residential Unit which is part of The Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee Owner) will be considered the Owner.

Section 9. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section I, hereof.

Section 10. "Developer" shall mean and refer to Middleton Estates Development Corporation, Inc.

Section 11. "Parcel" shall mean and refer to separately designated, developed Residential townhouse buildings.

Section 12. "Parcel Assessments" shall mean assessments for common expenses provided for herein or by any Subsequent Amendment which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Residential Units against which the specific Parcel Assessment is levied and of maintaining the Properties within a given Parcel, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized below.

The Parcel Assessment shall be levied equitably against Owners of Residential Units/land in a Parcel benefited by the assessment for such purposes that are authorized by this Declaration or by the Board of Directors from time to time, provided that in the event of assessments for exterior maintenance of dwellings, or insurance on dwellings, or replacement reserves which pertain to particular dwellings (pursuant to an amendment to this Declaration), such assessments (that are for the use and benefit of particular lots/units) shall be levied upon a pro rata basis among benefited Owners.

Section 13. "Board of Directors" shall mean Board of Directors of Middleton Estates Community Association, Inc.

ARTICLE II

LOCATION

Section 1. The principal office of the Association shall be located at 3800 Market Street, Camp Hill, Pennsylvania, or at such other location as the Board shall designate.

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 Residential Unit) which is subject to 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 the Office of the Recorder of Deeds of Cumberland County, Pennsylvania, and which provide as follows:

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

Each Owner of any completed Residential Unit (other than Developer), 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. In addition to the assessments called for above, the Board shall have the power to impose an entrance fee, not to exceed the sum of Two Hundred Dollars (\$200.00), whenever any owner other than the Developer acquires a completed residential unit either from the Developer or a subsequent owner. Such entrance fee shall not apply to owners who acquire a completed residential unit from a spouse, parent, grandparent, child, grandchild, brother or sister.

Section 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 Areas 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, managements and supervisions thereof.

Section 3. Basis of Annual Assessments. The Association, through its Board of Directors, shall fix the annual assessment per residential unit based upon the estimated cost of carrying out the responsibilities of the Association. There shall be two types of annual assessment as follows:

(a) General assessments applicable to all record owners of lots upon which are constructed single-family townhouses. Said properties shall be assessable for the following purposes only:

(1) The lawns and planting as outlined on the Final Subdlvision Plans under the title of Common Open Space.

(2) The sidewalks and pedestrian ways in the public rights-of-way easements and in common open space as outlined on the Final Subdivision Plans.

(3) Outdoor lighting in public rights-of-way and on common properties.

(4) Essential improvements such as drives, sanitary sewers, water lines, fire hydrants, storm sewers, drainage ways, and storm water management facilities, fences, signs and other facilities essential for the use and maintenance of Common Areas.

(5) Recreation facilities such as playground equipment, picnic facilities and any structures or appurtenances related thereto.

(6) Liability and Property Damage Insurance relating to the aforementioned Common Areas.

(7) Capital Reserves as deemed necessary for replacement of the aforementioned Common Areas.

(8) Trash Collection Service.

(9) Management Services.

(10) Maintenance of all parking areas and private driveways whether said parking areas or driveways are within the lot lines of residential unit owner or within the Common Areas.

(b) Parcel assessments applicable only to record owners of residential units in designated parcels. Such Parcel assessments shall be assessable for the following purposes and shall be an additional assessment over and above that provided under Section 3(a) above:

(1) Parking lots and related improvements.

(2) Lawns and Planting.

(3) Exterior maintenance of Townhouse buildings.

(4) Insurance on Townhouse buildings.

In the event of assessments for exterior maintenance of the townhouse buildings, insurance on dwellings, or replacement reserves which pertain to a particular townhouse building, such assessments that are for the use and benefit of a particular lot and unit shall be levied on a pro rata basis among benefited owners.

Section 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 Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty-one percent 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.

Section 5. Quorum for Any Action Authorized Under Section 4. The quorum required for any action authorized by Section 4 hereof shall be as follows:

At the first meeting called, as provided in Section 4 hereof, the presence at the meeting of Members, or of proxies, entitled to cast fifty (50) percent 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 requirements set forth in Section 4 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.

Section 6. 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 Board of Directors may provide that the annual assessment may be paid quarterly or in monthly installments.

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

Section 7. 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 Residential 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 herein stated to have been paid.

Section 8. Effect of Non-Payment of Assessment: The Personal Obligation of the 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 any such assessment, however, shall remain his personal obligation for the statutory period.

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 ten (10) percent 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 and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 9 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.

Section 10. Exempt Property. the following property subject to this Declaration shall be exempted from the assessments, charge and line 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 Areas as defined in Article I, Section 1, hereof; (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 completed living unit devoted to dwelling use shall be exempt from said assessment, charges or liens.

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 Section 1, Article II, 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 Residential 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 Residential Unit) all such persons shall be members, and the vote for such Lot (or Residential 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 Residential Unit).

Class B. Class B members shall be the Developer, and any successor of the Developer who takes title for the purpose of development and sale and who is designated as such in a recorded instrument. The Class B member shall originally be entitled to two hundred fifty-eight (258) votes; this number shall be decreased by one (1) vote for each Class A member existing at any one time. The Class B membership shall terminate and be converted to Class "A" membership upon the happening of the earlier of the following:

(a) when the total Class A votes equals or exceeds the total of number of Class B votes.

(b) five (5) years from the date hereof.

(c) The Developer, or any successor named by the Developer and specifically given the right by it so to do in a written instrument decide to terminate the Class B membership. 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 Residential Unit) in which it holds the interests required for membership under Section 1.

(For purposes of determining the votes allowed under this Section, when Residential Units are counted, the Lot or Lots upon which such Residential 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 Areas and such easement shall be appurtenant to and shall pass with the title to every Lot (or Residential Unit).

2. Title to Common Properties. The Developer may retain the legal title to the Common Areas 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 Areas to the Association, free and clear of all liens and encumbrances, not later than ten (10) years from the date hereof.

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 these By-laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said areas. 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 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 Areas; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas 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.

Section 2. Any member may delegate his rights of enjoyment in the Common Areas 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 THE MIDDLETON ESTATES DEVELOPMENT, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation, and for this purpose to:

1. own, acquire, build, operate, and maintain recreation parks, playgrounds, commons, streets, footways, including buildings, structures, personal properties incident thereto, hereinafter referred to as "the common properties and facilities";
2. provide exterior maintenance for the lots and homes within The Properties;
3. provide garbage and trash collection;
4. provide fire and police protection;
5. maintain unkempt lands or trees;
6. supplement municipal services;
7. fix assessments (or charges) to be levied against The Properties;

8. enforce any and all covenants, restrictions and agreements applicable to The Properties;

9. pay taxes, if any, on the common properties and facilities; and

10. 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.

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 (2/3) 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 borrow only to the extent authorized under the recorded covenants and restrictions applicable to said properties. The total debts of the corporation outstanding at any time shall not exceed the total of three (3) 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 (3) 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 fifty (50) percent 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 (1/2) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. During the initial organization stages of the Association, the affairs of the corporation shall be managed by a Board of no less than three (3) and no more than nine (9) Directors as the Board of Directors from time to time shall determine. Board members need not be members of the Association.

The initial term of the Directors shall be fixed at the time of their election as they among themselves shall determine. Provided, however, that the terms of the Directors shall be structured so that the terms of one-third of the members of the Board shall expire each year.

Section 2. Vacancies in the Board of Directors shall be filled by the 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 nominations may be made from among members or non-members, as the Committee in its discretion shall determine. The report of the Nominating Committee shall be included with the notice of the meeting at which the Directors are to be elected.

Section 5. The Secretary shall prepare and send notice of each meeting at which elections for directors are to be held at least fourteen (14) days in advance of the meeting. The notice shall describe the vacancies to be filled and set forth the names nominated by the Nominating Committee for such vacancies.

Section 6. Persons other than those nominated by the Nominating Committee may be nominated if members representing ten (10) percent of the number of votes eligible to vote in the election give written notice of the intent to nominate to the Secretary at least seven (7) days prior to the date upon which the election is to take place. The notice shall be accompanied by a written consent to be nominated and executed by the nominee.

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 wherever 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 III, 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 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 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 on the last Wednesday of each month at 8:00 o'clock, p.m., provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. 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 4. The transaction of any business at any meeting of the Board of Directors, wherever called and noticed, or wherever held, shall be as valid as through 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 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 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

OFFICERS

Section 1. The officers shall be 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 interest 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 on the first day of

the month of March in each year, at the hour of 8:00 o'clock, p.m. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the president, 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 at least six (6) days in advance of the meeting and shall be 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 herein provided.

ARTICLE XIV

PROXIES

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

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, the undersigned, being the Incorporator of the Association, has, pursuant to the Pennsylvania Nonprofit Corporation Law of 1972 as amended adopted these By-Laws this 8th day of September, 1987.



MIDDLETON ESTATES DEVELOPMENT
CORPORATION, INC.

E. Henderson
Secretary

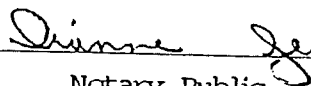
By: [Signature]
President

ACKNOWLEDGMENT

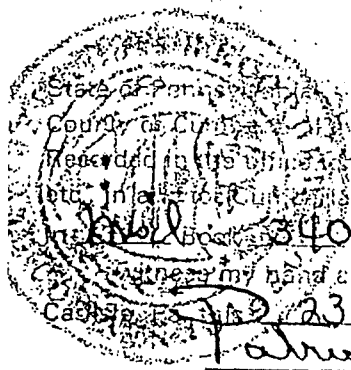
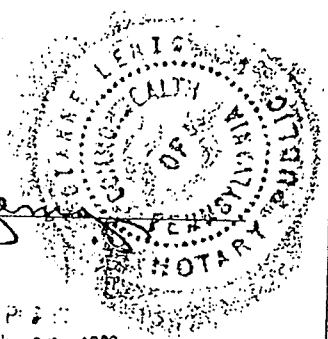
COMMONWEALTH OF PENNSYLVANIA :
: SS:
COUNTY OF CUMBERLAND :

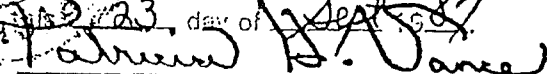
On this, the 8th day of September, 1987, before me the undersigned officer, personally appeared C. J. Smyth, who acknowledged himself to be the President of Middleton Estates Development Corporation, Inc., a Pennsylvania corporation, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

DIANNE LENIG, NOTARY PUBLIC
My Commission Expires December 21, 1989
Lancaster, PA Cumberland County



SS
Recorded in the Office of the recording of Deeds
etc. in the Office of Cumberland County, Pa.
Book 340 Vol. - Page 597
Witness my hand and seal of office, at
Cumberland County, Pa. on the 23rd day of September, 1987


Recorder