

EXHIBIT B

THE BYLAWS OF THE RESERVE AT HERSHEY MEADOWS CONDOMINIUM ASSOCIATION

WHEREAS, the Reserve at Hershey Meadows Condominium Association (the "Association") has been organized as a non-profit corporation comprised of members, the members being comprised of all those persons, partnerships, corporations, trusts or business entities (the "Members") who hold the legal title to Units which comprise the residential condominium commonly known as "The Reserve at Hershey Meadows," located in South Hanover Township, Dauphin County, Pennsylvania; and

WHEREAS, the association is organized as residential condominium under and subject to the Pennsylvania Uniform Condominium Act, 68 Pa. C.S.A. Section 3101, et seq., as amended (the "Act" and/or the "UCA"); and

WHEREAS, under Section 3306 of the Act the Association is required to have Bylaws; and

WHEREAS, the Association and its Members require Bylaws to establish the policies and procedures by which the administration, management and operation of the Association shall be conducted;

NOW THEREFORE, these Bylaws of the Reserve at Hershey Meadows Condominium Association (hereinafter, the "Bylaws"), having been adopted by the vote of the First Executive Board, are hereby adopted to govern the administration, management and operation of the Association.

ARTICLE I DEFINITIONS

The following words and terms used herein shall have the meaning respectively ascribed to each of them in that certain Declaration of Condominium of the Reserve at Hershey Meadows, A Condominium (the "Declaration"), recorded in the Office of the Recorder of Deeds of Dauphin County on May 18, 2004, at book 5595 page 307 et seq.: Act and/or UCA; Annual Assessment; Assessments; Association; Association Books and Records; Board and/or Executive Board; Building; Bylaws; Capital Improvement Fee; Common Elements; Common Expense Liability; Common Expenses; Common Facilities; Condominium; Controlled Facilities; Declarant Control Period; Declaration; General Common Expenses; Governing Documents; Improvement; Lease; Limited Common Element; Limited Common Expense; Manager; Master Association; Master Board; Master Bylaws; Master Declaration; Master Governing Documents; Master Rules and/or Master Association Rules and Regulations; Member; Notice; NPC; Occupant; Owner; Plan; Property; Rules and/or Rules and Regulations; Special Declarant Rights; Township; and Vote. All other undefined terms contained herein which require definition shall have the meaning otherwise ascribed to them in the Declaration, or if not defined in the Declaration, then as defined in the Act.

ARTICLE II **OFFICES**

The registered office address of the Association shall be 225 N. Presidential Boulevard, Bala Cynwyd, PA 19004. The Board may move the Association's registered office address to such other place or places as the Board may from time-to-time appoint, or the business of the Association may require. The Association may also maintain an office and/or mailing addresses in care of its Manager, as well as such other office and/or mailing addresses as the Board may from time-to-time designate.

ARTICLE III **ADMINISTRATION, MANAGEMENT AND OPERATION**

Section 1. Administration by the Board. The Association shall be administered, managed and operated by the Board as a non-profit corporation, in the manner permitted by Section 3301 of the Act, under and subject to the Pennsylvania Non-Profit corporation Law, 15 Pa. C.S.A. Section 5101, et seq. (the "NPC").

a. All costs, fees and expenses incurred to maintain the status of the Association as a Pennsylvania non-profit corporation shall be a common expense of the Association.

b. The corporate seal for the Association shall be in circular form having within its circumference the words "The Reserve at Hershey Meadows Condominium Association," and shall bear the year of the Association's organization as a non-profit corporation.

ARTICLE IV **MEMBERSHIP**

Section 1. Membership. All those who accept, hold or receive a deed to a Unit, or are identified in the records maintained by the Recorder of Deeds of Dauphin County as the owner-of-record of a Unit located within the Property shall be a "Member" of the Association, and shall be and remain, subject to all of the benefits, privileges, terms, conditions, covenants, charges, easements, licenses, liens and restrictions set forth in the Governing Documents until such time as the Member sells, conveys or otherwise transfers the title to the Unit to a new Member of record. The Association is organized on a non-stock basis. The deed of record to a Unit, as of the date upon which an inquiry regarding membership status is made to the Board Secretary, shall be deemed for all purposes to be a sufficient record in the determination of the identity of the person or entity who hold ownership and therefore, membership status. The person or entity asserting ownership of a Unit, and membership status in the Association, shall bear the burden of providing proof of his, her, their or its ownership of the Unit, and at the Board's request, the person or entity asserting ownership and membership status shall

promptly provide the Board Secretary with a certified copy of the deed to the person's or entity's Unit.

Section 2. Two Classes of Membership. The Association shall have two (2) classes of membership. The Class A Members shall be comprised of the owner of record of each Unit other than the Declarant. The Class B Member shall be the Declarant. The Class B Membership shall terminate, without any amendment of these Bylaws, upon the termination of the Declarant Control Period; after which termination there shall be only one class of membership in the Association; that class will be comprised of all of the owners of record of the Units, including the Declarant, if the Declarant owns any Units after the Declarant Control Period ends.

Section 3. Duration of Membership. Membership in the Association shall be appurtenant to ownership of a Unit, and shall continue throughout the term of a person's or entity's ownership of a Unit. Membership cannot be assigned, transferred, conveyed, sold, leased, pledged, encumbered or licensed except upon completion of the sale, conveyance or other transfer of the title to a Unit. Membership shall be transferred to the new Member automatically, without the Act of any person, upon the recording of a deed or instrument conveying, assigning or otherwise transferring the title to a Unit. No person, partnership, corporation or other business entity which holds a mortgage or security interest of any type on a Unit, any portion of a Unit, or any improvement now or hereafter erected on a Unit, shall be deemed to be, or to hold status as, a Member of the Association until such time, if ever, as the mortgagee or security interest holder becomes the owner of record of the Unit, or becomes the owner of the Unit by reason of holding a signed, but unrecorded deed, or by becoming the successful bidder at a sheriff's sale of the Unit.

Section 4. Voting Rights of Members. During the Declarant Control Period, each Class A Member shall possess one (1) vote for each Unit owned, and the Class B Member shall possess three (3) votes for each Unit owned. After the termination of the Declarant Control Period, all of the Members, including the Declarant, to the extent the Declarant continues to own any Units, shall have one (1) vote per Unit to be cast by the Owner of the Unit on each matter on which the Members of the Association are entitled to vote.

a. There shall be deemed to be unanimous and irrevocable agreement of all of the Members who own a Unit to the vote cast, or proxy granted, by one of the Members, if protest is not promptly made to the person presiding over the meeting by any of the other Members who own the Unit.

b. Whenever more than one person or entity shall be the title holder of record of any Unit, they shall appoint one person or entity for the purpose of casting the one vote appurtenant to that Unit. In the absence of any protest by one of the Members who own the Unit to the person presiding over a meeting of the Members, the person or entity casting the vote appurtenant to a Unit at a meeting of the Members shall

be deemed for all purposes to be the person appointed by the Members who own the Unit to cast the Unit's vote.

c. Members may vote in any manner permitted in the Bylaws; but Members may not cast their vote in a cumulated fashion in any ballot, election or voting procedure.

d. No Member shall sell their vote, or issue a proxy for money or anything of value, and any vote sold, or proxy given for any consideration, shall be invalid.

e. Votes may be cast, and proxies may be granted, only in accordance with these Bylaws, or as may be established by the Board in the manner permitted in these Bylaws.

f. Upon written notice to a Member, the voting rights of a Member who is not in good standing may be suspended until the Member returns to good standing.

ARTICLE V

MEMBERSHIP MEETINGS

Section 1. Annual and General Meetings. The first Annual Meeting of the Members must be held within sixty (60) days after the end of the Declarant Control Period, or upon the recording by the Declarant of an Amendment to the Master Declaration terminating the Declarant Control Period. Thereafter, the Annual Meeting shall be held on a day and date selected by the Board. However the Annual Meeting must be held during the same month of each calendar year in which the Association is incorporated, or as soon thereafter as may be scheduled by the Board. The Annual Meeting of the Members may be held at the Property, or such other reasonably convenient meeting place as may be selected by the Board. The President may call General Meetings of the Members at any time. General Meetings of the Members may also be called upon majority vote of the Board. The time, date, agenda and meeting rules and procedures for any Annual or General Meeting of the Members shall be determined by the Board. Notice of an Annual or General Meeting, including an agenda, will be transmitted to each of the Members by the Secretary in the manner stated herein.

a. If, after the First Annual Meeting, an Annual Meeting is not held within any twelve month calendar year, then upon the receipt by the Board of a written request for an Annual Meeting signed by at least fifty (50%) percent of all Members in good standing then entitled to vote at any such meeting, the Secretary shall schedule the time, date and place for an Annual Meeting to be held on date determined by the Board. The Board shall promptly adopt the agenda and meeting rules and procedure to be followed at the Annual Meeting, including on the agenda all items and topics set forth in the Annual Meeting request received from the Members which are appropriate for consideration, or the casting of votes, by the Members, and are not within the powers or

duties vested exclusively in the Board under these Bylaws, together with such additional items and topics, if any, as the Board may deem appropriate for the Members' consideration.

b. Failure to hold any Annual Meeting shall not work a dissolution of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, or by majority vote of the Board, or upon written request of not less than fifty (50%) percent of the Members then in good standing and entitled to vote at such a meeting. The Board shall, by majority vote, fix the time, date and location of the meeting. Special Meetings requested by the Members must be held on a date determined by the Board. The Board shall adopt and include in the Notice of the special meeting given to each Member the special meeting agenda and meeting rules and procedures, including on the Agenda all items and topics set forth in the special meeting request received from the Members which are appropriate for consideration, or the casting of votes, by the Members, and which are not within the powers and duties vested exclusively in the Board under these Bylaws, together with such additional items and topics, if any, as the Board may deem appropriate for the Members' consideration.

Section 3. Meeting Notice. Written notice of every meeting of the Members shall be transmitted to each of the Members by the Secretary of the Association. The Secretary may utilize the services of the Association's Manager, and/or an Assistant Secretary, if any, to assist in the preparation, service, transmission, mailing and/or delivery of meeting notices.

a. Notice may be given to a Member either personally, or by mailing a copy of the notice by first class or express mail, postage prepaid, or such other method as may be permitted under the NPC, to the last mailing address for the Member then shown in the Association's books and records, which address shall be deemed to be the Member's Unit until such time as the Member provides the Association's Secretary with written notice of a new or alternate address for the Member.

b. Each Member may also register one (1) alternate address with the Secretary by written notice to the Secretary, and, in that event, notices of meetings shall be given to the Member at his or her alternate address.

c. Notice shall be deemed given when delivered in person to the Member, or when deposited in the United States mail, first class or express mail, or transmitted by any other method permitted under the NPC, with all postage, delivery or handling charges prepaid, addressed to the Member in accordance herewith.

d. Notice may also be given to a Member by facsimile transmission, subject to the Association's receipt of the Member's acknowledgement of receipt of the notice by return facsimile transmission or first class mail.

e. Notice of any Annual or General Meeting shall be mailed, or given in person, not less than ten (10) days, nor more than sixty (60) days prior to, the meeting.

f. Notice of any Special Meeting shall be mailed, or given in person, not less than five (5) days prior to, and not more than sixty (60) days prior to, a Special Meeting.

g. Any Member who appears at any Annual, General or Special meeting and participates in the meeting for any purpose, other than to protest lack of notice of the meeting, or irregularity in the notice given, shall be deemed to have waived any lack of notice, delay or irregularity in the notice the Member received, and to have consented to the agenda and to the conduct of all of the business conducted at the meeting in accordance with the agenda.

h. A Member who appears at any meeting to protest the absence of notice, or irregularity in the notice given, must provide the Secretary, or the President, or person presiding over the meeting, with written notice of the Member's protest before any determination of the existence of a quorum is made, or the protest will be deemed waived, and the Member will be deemed to be present for purposes of determining the existence of a quorum if the Member remains in attendance at the meeting.

i. Every meeting notice transmitted to the Members must specify the place, date and the time of the meeting, and include an agenda; in the case of a Special Meeting, the notice shall also identify the matters to be considered and acted upon. The matters considered and acted upon at the Special Meeting shall be strictly limited to the items and topics identified in the Special Meeting notice and agenda.

j. If any vote of the Members is to be conducted at a meeting, then the notice may also include proxy forms, or mail-in ballots, as the Board may authorize incident to adopting meeting rules and procedures, subject to the applicable provisions of these Bylaws.

ARTICLE VI **QUORUM**

Section 1. Quorum Calculation. The presence at any Annual, General or Special Meeting of Members entitled to cast a majority of the votes eligible to be cast at any meeting of the Members, that is, fifty-one (51%) percent of the Members shall constitute a quorum for any Action, except as may otherwise be provided in these Bylaws, the Act or the Declaration. All proxies, and if mail-in balloting is authorized by the Board, then ballots cast by Members by mail, shall be counted toward the calculation of a quorum. Only those Members present in person, or if applicable by proxy or mail-in ballot, who are in good standing shall be counted for purposes of making quorum-calculations. The Members present at a duly organized meeting can continue to do business until the adjournment thereof, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 2. Adjournment. If a meeting cannot be organized because a quorum of the Members entitled to vote is not in attendance, either personally, or by proxy and/or mail-in ballot if applicable, then subject to the applicable provisions of the NPC, those present may adjourn the meeting to such time, date and place as they may determine.

a. In the case of any meeting called for the election or removal of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of election or removal of Board members.

b. In the case of any meeting called for any purpose other than to elect or remove directors, those Members who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of taking Action upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those Members who attend shall constitute a quorum for the purpose of Acting upon such resolution or other matter is given to each Member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the date of the second adjourned meeting.

c. All proxies and mail-in ballots submitted to the Association by Members for use at the first schedule meeting date shall remain valid for use in quorum calculations and balloting at the adjournments thereof, unless they are revoked before the adjourned meeting is called to order. Members who have no submitted proxies or mail-in ballots for a scheduled meeting may participate in the adjourned meetings, and be deemed present for purposes of quorum calculations, by submitting proxies or mail-in ballots for use or casting at an adjourned meeting, save that all proxies or mail-in ballots must be delivered to the Secretary or the person presiding over the meeting prior to the time the meeting is called to order.

Section 3. Actions of Association Without a Meeting. Any Action required or permitted to be taken by a vote of the Members, except election and removal of members of the Board, may be taken without a meeting, by written, signed consents of Members consenting to the Action so taken, of at least the number of Members whose votes alone, or together with proxies and mail-in ballots already delivered to the Secretary, would represent a quorum.

ARTICLE VII

VOTING PROCEDURES

Section 1. Voting at Meeting. Members in good standing who are present at a meeting of Members may vote in person by show of hands or written ballot, including secret ballots, as the Board may establish incident to the adoption of meeting rules and procedures on all matters except the election of members of the Board. Balloting for the election or removal of members of the Board shall be conducted by secret written ballot or mail-in ballot, in a form to be prepared at the direction of the Secretary.

Section 2. Proxy Voting. A Member in good standing who is not present at a meeting may authorize any Board Member, or another Member of the Association, to Act for them by granting a written proxy, or by granting a written directed proxy for election of Board Members or any other issue being brought to a vote before the Members at any Meeting. Proxies must be in a form prepared by, or at the direction of, the Secretary. The Secretary shall provide a proxy to each Member together with the meeting notice and agenda. Proxies must be returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the proxy is intended to be exercised. Proxies which are not in the form prepared by the Secretary, or which are not signed and returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the proxy is intended to be exercised, shall be rejected and deemed invalid for all purposes.

Section 3. Voting Rules and Procedures. In preparation for any Annual, General or Special meeting of the Members, the Board shall adopt voting rules and procedures for the meeting, which may include voting procedures authorizing voting by the Members by mail-in ballots and proxy forms.

Section 4. Mail-In Balloting. Incident to adopting a meeting agenda and rules and procedures, the Board may also permit the Members in good standing to vote on any question or issue to be brought before the Members for the purposes of casting a ballot, including the election or removal of Board members, by mail-in ballot. If mail-in balloting is authorized by the Board, then the Secretary shall prepare, or direct the preparation of, a mail-in ballot. The Secretary shall provide a mail-in ballot to each Member together with the meeting notice and agenda. Mail-in ballots must be signed and returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the mail-in vote is intended to be cast. Mail-in ballots which are not in the form prepared by the Secretary, or which are not signed and returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the mail-in vote is intended to be cast, shall be rejected and deemed invalid for all purposes.

Section 5. Proxies. Each proxy shall be granted in writing, signed by the Member, or by the Member's duly authorized attorney-in-fact, and returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the proxy is intended to be exercised, or the proxy shall be rejected and deemed invalid for all purposes.

a. The Association shall require the use of a proxy form to be prepared and supplied by the Secretary; a proxy in any other form shall be rejected and deemed invalid for all purposes.

b. Proxies are revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until Actual notice of revocation thereof has been given to the Secretary or the person presiding over a meeting of the Association.

c. Unless otherwise stated in the proxy, no proxy shall be valid after eleven (11) months from the date of its execution.

d. A proxy shall not be revoked by the death or incapacity of the Member unless, before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the Secretary.

e. A proxy shall automatically terminate when the membership in the Association of the Member who granted it ceases or is terminated due to the sale or conveyance of the Member's Unit, and upon revocation of a Member's good standing status.

f. Directed proxies may be utilized if approved by the Board in adopting the meeting agenda and voting rules and procedures. Directed proxies must be in a form supplied by the Secretary, and a directed proxy in any other form shall be rejected and deemed invalid for all purposes.

g. A proxy received from a Member who is not in Good Standing shall be deemed to be invalid, and may not be exercised.

h. Members may not grant a proxy and cast a mail-in ballot on the same question or election. If a proxy is granted and mail-in ballot is cast by a Member on the same question, or for election or removal of any candidate for the Board, then the proxy shall be deemed void for the issue, or issues, upon which the Member has cast a mail-in ballot, and the mail-in ballot shall be counted.

Section 6. Mail-In Ballots. Each mail in ballot shall be in writing, signed by the Member, or by the Member's duly authorized attorney-in-fact, and returned or delivered to the Secretary not less than twenty-four (24) hours prior to the meeting at which the mail-in ballot is intended to be exercised, or the mail-in ballot shall be rejected and deemed invalid for all purposes.

a. The Association shall require the use of a mail-in ballot in a form to be prepared and supplied by the Secretary; a mail-in ballot in any other form shall be rejected and deemed invalid for all purposes.

b. Mail-in ballots are revocable at will, but the revocation of a mail-in ballot shall only be effective if actual notice of revocation thereof is given to the Secretary at the meeting, or the person presiding over a meeting of the Association, before any ballots are cast.

c. A mail-in ballot shall not be revoked by the death or incapacity of the Member unless, before the ballot is counted, written notice of such death or incapacity is given to the Secretary.

d. A mail-in ballot from a Member who is not in Good Standing shall be deemed invalid and shall not be counted.

e. Members may not grant a proxy and cast a mail-in ballot on the same question or election. If a proxy is granted and a mail-in ballot is cast by a Member on the same question, or for election or removal of any candidate for the Board, then the proxy shall be deemed void for the issue, or issues, upon which the Member has cast a mail-in ballot, and the mail-in ballot shall be counted.

Section 7. Voting by Multiple Members Other Than Natural Persons. If the Member of a Unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such Unit shall be the person named in any certificate executed by such entity pursuant to its governing documents. If the Member of a Unit is a trust, then the trustee, or trustees, shall be deemed the Member for voting purposes. Where the title to a Unit is held by more than one (1) person, then the natural person who shall be entitled to cast the vote for such Unit shall be the person named in any certificate executed by all of the Members of such Unit and filed with the Secretary, or in the absence of the filing of such a certificate before the meeting, or the failure to execute and file such a certificate, the person who shall be entitled to cast the vote of such Unit shall be the person owing such Unit who is present. If more than one (1) of the multiple Members are present at the meeting, then the vote allocated to that Unit may be cast only in accordance with the Members' unanimous agreement. There shall be deemed to be a unanimous agreement if any one of the multiple Members casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by at least one of the other Members who own the Unit.

Section 8. Members of Record. The Members of record, who are in Good Standing, shall be entitled to vote. A Member of record is the person or entity who holds a recorded deed to a Unit as of a date not less than five (5) days prior to the date of any scheduled Annual, General or Special Meeting of the Members. Each Member shall bear the affirmative obligation to provide the Secretary, without cost, fee or charge, with a copy of the Member's recorded deed as proof of the Member's status as the owner of record of a Unit. The Secretary shall be entitled to rely upon the Association's records to identify the Members of record. The Secretary is not required to conduct a search of the records maintained by the Recorder of Deeds of Dauphin County to determine the Members of record. The Members of record in Good Standing shall be entitled to cast ballots and issue proxies for an Annual, General or Special meeting of the Members.

ARTICLE VIII

CONDUCT OF MEETINGS

Section 1. Rules. All meetings of the Association shall be conducted under such reasonable rules and procedures consistent with these Bylaws as the Board may from time-to-time adopt. The Board is hereby vested with the sole power, discretion and duty to promulgate, amend and withdraw such meeting and voting rules and procedures

from time-to-time as are not inconsistent with these Bylaws, the Declaration or the Act. The Board may, but is not required to, utilize such version of Robert's Rules of Order, or such other rules of order or parliamentary procedure, as the Board may deem appropriate.

Section 2. Presiding Officer. The President of the Association shall preside at all meetings of the Members, unless the President is absent, the office of the President is vacant, or the President is subject to removal in the manner stated at Article XI, Section 6 below, in which case, the Vice-President shall preside at the Meeting.

Section 3. Minutes. The Secretary shall keep the minutes of all Annual, General and Special meetings of the Members, and record in a minute book all resolutions adopted at the meetings, the results of all elections and voting procedures, as well as a record of all transaction which occur at all Annual, General and Special meetings of the Members.

Section 4. Preservation of Order. The President, or the Board by majority vote, shall call all motions for the vote of the Members. The President, or the Board by majority vote, shall have the power to close debate on, or table, any questions, motions or discussions pending before the Members, and where necessary to preserve order, to direct that any Member, or Members, who may become disruptive of the business of a meeting of the Members to leave the meeting.

Section 5. Tellers and Judges of Election. At the time of, or in advance of, any meeting of the Members, the President may appoint tellers to count votes and a judge, or judges, or election in the manner, and for the purposes, stated in these Bylaws. If the President does not appoint tellers or a judge, or judges of election, then the Secretary shall act as the teller and the judge of elections.

Section 6. Parliamentarian. At the time of, or in advance of, any meeting of the Members, the President may, but is not required, to appoint a parliamentarian to advise the President on the procedures for the conduct of a meeting of the Members.

Section 7. Executive Session. Except as may now or hereafter be limited or prohibited by prevailing law, the Board shall have the power to recess a meeting of the Members and to meet in executive session, without the general Membership being present, to review, consider and act upon matters such as litigation, assessment collection, violations of the Governing Documents, employees of the Association, and confidential matters.

ARTICLE IX

MEMBER'S OBLIGATIONS AND REQUIREMENTS

Section 1. Membership Obligations. Each Member, by accepting a deed to a Unit, and/or by enjoying the benefits, directly or indirectly, of ownership of a Unit, shall be deemed to have covenanted and agreed to perform, and to continue to perform throughout the term of their membership, all the duties and obligations imposed upon

Members by the Governing Documents of the Association, without regard for whether set forth in the Member's deed. The Members' obligations and duties shall include, but are not limited to, the payment of assessments, fees, fines, costs and charges, compliance with use and architectural restrictions, and maintenance of their Unit. By acceptance of the deed to a Unit, and/or by enjoyment of the ownership of a Unit, the Member shall be deemed to have received notice of all of the conditions, covenants, duties, easements, powers, restrictions, rules, regulations and procedures established in the Governing Documents. Ownership of a Unit shall be the sole qualification and requirement for becoming a Member.

Section 2. Membership Rights and Privileges. Except as provided herein, each Member shall be deemed to be in Good Standing and shall continuously enjoy all of the rights and privileges granted to a Member by the Governing Documents, or by the duly authorized Actions of the Membership and/or the Board, except as may be suspended by the Board in accordance with the Governing Documents.

Section 3. Good Standing. The membership rights and privileges of any Member including the powers to vote, stand for election to the Board, stand for appointment to any committee, serve as a member of the Board or any committee and/or use and enjoy the Association's recreational facilities, may be enjoyed only while a Member is in Good Standing. A Member shall be in Good Standing until such time as the Board suspends the Member's Good Standing status, whereupon the Member's membership rights shall be deemed to have been suspended.

Section 4. Suspension of Member's Good Standing. Each Member, by accepting a deed to a Unit, shall be deemed to have irrevocably agreed and consented to the suspension of the Member's Membership rights and privileges upon the vote of a majority of the Board determining that the Member owes the Association assessments in an amount in excess of an amount equal to two month's assessments, or fines or any other sum due to the Association from the Member under this Declaration, the Bylaws, the Rules and Regulations or the UCA, in an amount in excess of one hundred fifty (\$150.00) dollars. Each Member, by accepting a deed to a Unit, shall also be deemed to have irrevocably agreed and consented to the suspension of the Member's Membership rights and privileges upon vote of a majority of the Board determining that the Member is in material breach of a duty or obligation imposed upon the Member by the Governing Documents of the Association. The Board shall give Notice to the Member of the suspension of the Member's rights and privileges and the suspension of the Member's Good Standing status.

a. Upon suspending a Member's Good Standing status, the Board shall suspend the Member's membership rights and privileges for any period during which any material breach of the Governing Documents, including any failure to pay any Assessment, fee, interest, fine, charge, expense or cost of collection due to the Association on a Unit remains unpaid, and/or any period during which a Member or the Occupant of the Member's Unit is in violation of any covenant, easement, restriction, rule or regulation contained in the Governing Documents.

b. The suspension of a member's Good Standing status and suspension of a Member's membership rights and privileges shall not bar the Board from levying or imposing such other penalties and sanctions, or pursuing such other remedies, as may be available to the Association under the Governing Documents and prevailing law.

c. The suspension of a Member's Good Standing status shall not in any way affect, defer, terminate or otherwise reduce the continuing obligations or duties of that Member under the Governing Documents, including, but not limited to, the Member's continuing obligations to pay Assessments and comply with all architectural and use restrictions during and subsequent to such suspension.

d. Without regard for the Member's Good Standing status, the Member's access and use easements over the Common Element under the Declaration may not be suspended, terminated or impaired by the Association.

e. A Member whose Good Standing status has been suspended may not continue to serve on, or stand for nomination, appointment or election to the Executive Board, nor for appointment to, or to continue in service upon, any committee, nor stand for appointment or continue service as an Officer of the Association, until the Member pays all sums due to the Association, and/or cures the violation or violations, and returns to Good Standing.

f. A Member whose Good Standing status has been suspended may attend meetings of the Members held during the term of the suspension, except that the Member may not vote at the meeting nor stand for nomination or election to any office or position.

g. A Member who has cured the violation or delinquency which has resulted in the suspension of the Member's Good Standing status may petition the Board at any time for the restoration of the Member's Good Standing status and the Member's rights and privileges; the Board shall also have the power to restore a Member's Good Standing. A Member's Good Standing status shall be deemed to have been restored upon the Association's receipt of payment in full of all sums due from the Member where the Member's Good Standing was suspended for owing the Association assessments in an amount in excess of an amount equal to one month's assessments, or owing the Association fines or any other sum due from the Member under this Declaration, the Bylaws, the Rules and Regulations or the UCA, in an amount in excess of one hundred fifty (\$150.00) dollars.

Section 5. Procedure for Suspension of Good Standing. The procedure for suspension of Good Standing under this Article shall be as follows:

a. A Member's Good Standing status may be suspended by majority vote of the Board at any time after the Member owes the Association assessments in an

amount in excess of an amount equal to one month's assessments, or fines or any other sum due to the Association from the Member under this Declaration, the Bylaws, the Rules and Regulations or the UCA, in an amount in excess of one hundred fifty (\$150.00) dollars, or if the Member commits a material breach of the Governing Documents. The Board's Secretary shall give any Member determined by the Board to be in material violation of any covenant, easement, restriction, rule or regulation seven (7) days Notice, by personal service or first class mail, postage prepaid, of the suspension of the Member's Good Standing status. The Notice shall be transmitted in accordance with the procedures stated in these Bylaws. The Notice shall set forth the nature of the violation or violations, and advise the Member of the Member's right to make a written request to appear before the Board to appeal the suspension. The suspension Notice to the Member may be incorporated into any other Notice transmitted to the Member in accordance with the procedures stated in the Governing Documents.

b. A Member may make a written request to appear before the Board to appeal the suspension. The Member's written request to appear before the Board to appeal shall be served upon the Association's Manager or Secretary within seven (7) days from the date of the Member's receipt of the suspension Notice from the Board. The Secretary shall schedule an appeal hearing, and all parties shall proceed in accordance with the applicable due process provisions of the Governing Documents.

c. If, during the seven (7) day Notice period, or prior to any appeal hearing, the violations are fully cured, as determined by the Board, then the Board shall revoke the suspension, but the Board may impose a fine for the violation or breach, and/or levy an Assessment against the Member for any costs or fees incurred by the Board, including reasonable attorney's fees, in obtaining the cure.

d. If the Member has not fully cured all violations prior to the appeal hearing, the Board may, after giving the Member an opportunity to be heard, and in addition to any other penalties, fines and/or sanctions available, continue the suspension of the Member's Good Standing status for a period of not longer than the period of time the Member takes to fully cure the violations. The Member, and the Association, may be represented by counsel at the appeal hearing.

e. A Member may present a written petition to the Board at any time stating the Action taken by the Member to cure his or her violation of the Governing Documents, and requesting the Board to take Action to determine whether the violation has been fully cured, and to restore the Member's Good Standing status and membership rights and privileges. The Board may Act upon the petition, or it may hold a hearing to consider the Member's petition. The Board shall provide the Member with prompt written notice of the Action taken in response to such a petition, including a description of any additional remedial Action, if any, which a member is required to perform to fully cure the Member's violation of the Governing Documents.

f. Procedures before the Board on any hearing with respect to any Member's Good Standing status shall be conducted by the Board in accordance with the

applicable provisions of such due process procedures as may be stated in these Bylaws, and such Rules and Regulations as may be adopted by the Board from time-to-time.

Section 6. Member's Use of Common Elements. Any member may delegate their rights of use and enjoyment in the Common Elements to the Occupants of their Unit. Such delegation may only be made to tenants under a lease upon the Member's full compliance with the applicable provisions of the Declaration and Rules and Regulations regarding leasing. However, upon notice to the Member and the Occupant, or tenant, the rights and privileges of such Occupants or tenants to use and enjoy the Common Elements and recreational facilities are subject to suspension to the same extent as those of the Member.

ARTICLE X **EXECUTIVE BOARD**

Section 1. Number. The affairs of the Association, including, but not limited to, levying and collecting all Assessments and sums due from the Members to the Association, and the administrations, management and operation of the Association and the maintenance, repair and replacement of the Common Elements, shall be managed by a Board comprised of three (3) natural individuals appointed by the Declarant during the Declarant Control Period. After the Declarant Control Period the Board shall be comprised of five (5) natural individuals who are Members of the Association. Subject to the provisions and procedures established in this Declaration and the Bylaws, during the Declarant Control Period the members of the Board shall be appointed by, and shall serve at the discretion of, the Declarant. After the termination of the Declarant Control Period, the members of the Board must be Members of the Association who are in good standing, each of whom must be at least eighteen (18) years of age; and a majority of the members of the Board must reside at the Reserve at Hershey Meadows.

Section 2. Election. Except for members appointed by the Declarant during the Declarant Control Period, and except for member's appointed by the Board upon a vacancy, or removed and replaced by the Members, Board Members shall be elected by the Members in accordance with such nomination and election procedures as are stated herein, and as may from time-to-time be established by the Board.

Section 3. Term of Office. Except for members appointed by the Declarant during the Declarant Control Period, the term of office of each Board member shall be two (2) years, and shall run from the close of the annual meeting at which the Board member is elected or reelected, to the close of the second annual meeting thereafter, and until their successor has been elected and qualified.

Section 4. Two Classes. Except for members appointed by the Declarant during the Declarant Control Period, the Board shall be comprised of two classes. One class shall be comprised of three (3) members, and a second class shall be comprised of two (2) members. Except for members appointed by the Declarant during the Declarant Control Period, one class shall stand for election each year.

ARTICLE XI
ELECTION, RESIGNATION AND REMOVAL OF EXECUTIVE BOARD
MEMBERS

Section 1. Nomination of Candidates for Board. Nominations for all positions in the class of the Board members which are up for election at the Annual Meeting shall be made in accordance with such nomination and election procedures as may be adopted by the Board from time-to-time, save that nominations must be closed prior to the transmission of the Annual Meeting notice, so appropriate proxies and mail-in ballots, if authorized by the Board, may be included with the Annual Meeting notice.

a. Nomination procedures shall be adopted and communicated by the Board to the Members in writing in a sufficiently timely fashion to permit the Members a reasonable opportunity to nominate candidates for election to the Board prior to the transmission of the Annual Meeting notice.

b. Nomination procedures must permit any Member in good standing to submit a written nomination of themselves, or any other Member.

Section 2. Election. Election to the Executive Board shall be by secret written ballot, directed proxy, proxy or mail-in ballots as may be adopted by the Board in establishing the annual Meeting rules and procedures. Cumulative voting by Members is not permitted.

Section 3. Resignation. Any member of the Board may resign at any time, for any reason, upon written notice to the Secretary, or in the Secretary's absence, the Board President.

Section 4. Deemed Resignations. Except for members appointed by the Declarant during the Declarant Control Period, should any Board member sell, convey, assign or transfer title to their Unit, or lose title to their Unit through foreclosure, deed in lieu or foreclosure, or other judicial proceedings, or should a Board member's good standing status be revoked in the manner stated in these Bylaws, then automatically, without any further act by the Board member, and concomitantly with the transfer of title, or the issuance of a notice of revocation of the Board member's good standing as a Member of the Association, the Board member shall be deemed to have resigned his or her position on the Board. The unexcused absence of a Board member from two (2) consecutive meetings of the Board shall be deemed to be a resignation of their position on the Board.

Section 5. Vacancies. Except for members appointed by the Declarant during the Declarant Control Period, in the event of the death, resignation or deemed resignation of a Board member, the Board member's successor shall be promptly selected and appointed by majority vote of the remaining Board member or members to serve out the balance of the term.

Section 6. Removal. Except for members appointed by the Declarant during the Declarant Control Period, any Board member may be removed from the Board at any time, with or without cause, by affirmative vote of a majority of (i.e. fifty (50%) percent, plus 1) of all the Members of the Association entitled to vote at a meeting of the Members. Subject to the Board's adoption of meeting rules and procedures, a successor to replace the removed Board member may be nominated and elected by the Members at the meeting at which the Board member is removed. However, the successor shall only serve out the balance of the term of the removed Board member, after which term the successor Board member may stand for election to the Board for a full term.

ARTICLE XII

EXECUTIVE BOARD POWERS

Section 1. Powers of the Board. The Board shall have authority and power to exercise all those powers vested in the Association, as set forth in the NPC, the Articles of Incorporation, these Bylaws, the Declaration, and all applicable law, including, but not limited to the UCA, and not otherwise specifically vested in the Members in the Governing Documents. By way of illustration, but not by way of limitation, the powers of the Board shall include the authority and power to:

- a. Call Annual, General and Special Meetings of the Members; and
- b. Administer, manage, maintain, repair, restore, improve and operate the Association and the Common Elements and all improvements now or hereafter made or erected thereon; and
- c. Appoint, employ and remove at the Board's pleasure such officers, independent contractors, Managers, agents, servants and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bonds, if any, as it may deem necessary or expedient; and
- d. Adopt and implement the annual budget of the Association, and to make adjustments to, and reissue the annual budget, as the Board may deem necessary during the course of the Association's fiscal year, save that the Budget must include, but is not limited to, the following:
 - i. Common Expenses which shall include, by way of example and not by way of limitation, estimated amounts for the anticipated costs of maintenance, repair, restoration, replacement, improvement and operation of the Common Elements together with the improvements thereon; and
 - ii. Estimated costs to administer, manage and operate the Association, including all licenses, taxes or governmental charges, if any, properly charged or levied against the Association's property and payable by the Association; and

iii. Estimated costs for services of a Manager, if a Manager is intended to be retained, as well as all other advisors, consultants, contractors, persons and entities whose services are anticipated to be needed during the course of the fiscal year; and

iv. Reserves for anticipated major repairs and replacements of the Common Elements and all improvements located thereon; and

v. Common Expense Assessments against each Unit in an amount sufficient to meet the anticipated Common Expenses of the Association for the fiscal year.

e. Adopt, establish, levy and assess Assessments, costs, fees, interest, late fees, expenses, charges and fines against the Members; to determine in its sole discretion payment due dates, including but not limited to single payment, quarterly or monthly due dates, for all Assessments, costs, fees, interest, late fees, expenses, charges and fines; and to enforce and collect all Assessments, costs, fees, interest, late fees, expenses, charges and fines and any other sum due to the Association as may be provided in the Governing Documents or applicable law; and

f. Adopt, amend, withdraw, enforce and publish Rules and Regulations governing the administration, maintenance, enjoyment and use of the Property, the personal conduct of the Members and Occupants on the Property, to establish architectural standards, specifications, requirements and procedures, and levy and collect fines against the Members for breaches and/or violations of the Governing Documents and the administration and operation of the Association; and

g. Borrow money on behalf of the Association and mortgage, pledge and/or assign the Association's right to receive future income, including accounts receivable and Assessments due to the Association, as security therefore; and

h. Acquire by gift or otherwise, purchase, sell, lease, transfer or otherwise own, hold, convey or dispose of, and/or dedicate to any municipal, county or state agency, the real and personal property of the Association, as may be deemed necessary by the Board in furtherance of the purposes of the Association, subject to the provisions of the Governing Documents and applicable laws; and

i. Suspend a Member's Good Standing status; and

j. File, prosecute, withdraw, settle, compromise, arbitrate, including binding arbitration if approved by the Board, or defend any cause of Action in any Court, in the name of the Association, subject to such limitations as may now or hereafter be stated in the Governing Documents or applicable law; and

k. Acquire in the Association's name, by purchase, gift, bequest, devise, sale, assignment, lease or other conveyance, additional real property to be added to the Common Elements; and

l. Appoint committees comprised of Members to assist the Board in the performance of its duties and obligations; and

m. Open, hold, maintain and close such accounts with banks, brokers or other financial institutions as the Board may from time-to-time deem necessary and appropriate for deposit of the Association's funds, including by way of example but not by way of limitation, checking and savings accounts, certificates of deposit and mutual funds; and

n. Waive or grant temporary exceptions to Members or Occupants from the application of, or obligation to comply with, those portions of the Governing Documents regarding the use and enjoyment of the Property, as may be necessary to obtain or reach "reasonable modifications" and/or "reasonable accommodations" with, or for the benefit of, handicapped, as that term may now or hereafter be defined in the Pa. Human Relations Act, and/or the Federal Fair Housing Amendments Act, or any similar or succeeding statute, Members or Occupants to permit full use and enjoyment of the Property by a handicapped Member or Occupant, subject to the Board's power to terminate the waiver or exception when a handicapped Member or Occupant terminates their use or occupancy of a Unit; and

o. Grant easements, leases, licenses and concessions through or over the Common Elements; and

p. Use and expend any sums collected as Assessments for the administration, maintenance, management, repair, restoration, improvement and operation of the Association, as well as the Common Elements and the improvements now or hereafter made and/or erected thereon; and

q. Maintain reserve funds adequate for the anticipated major repairs and replacements of the Common Elements and improvements for which the Association bears any maintenance, repair or replacement obligation; and

r. Subject to applicable law, to pay all taxes and assessments, if any, levied or assessed against the Common Elements and improvements that may be owned by the Association, exclusive of any tax or assessments levied against any Unit, or otherwise chargeable against any Member; and

s. Enter into a contract for professional management services upon terms and conditions determined to be acceptable by the Board in accordance with the provisions of these Bylaws; and

t. Contract for, employ or retain professionals, including accountants, architects, engineers and lawyers to provide the Board with advice, guidance and services, and to fix the compensation of such professionals; and

u. Subject to the Board's determination from year to year, to cut, trim, fertilize, provide weed, vermin and pest control upon, and to otherwise maintain, the Common Elements, including all grass, lawns, bushes, landscaping, etc.; and

v. Subject to the Board's determination from year to year, to cut and trim trees on the Common Elements, and to promptly remove trees cut down by the Association; and

w. All such other powers as are appropriate and necessary to conduct the business and affairs of the Association in the manner contemplated by the Governing Documents.

ARTICLE XIII **EXECUTIVE BOARD DUTIES**

Section 1. General Duties of the Board. It shall be the duty of the Board to act as fiduciaries for the Association in the administration, operation and management of the business affairs of the Association and the Property. The Board shall faithfully perform the duties and obligations of the Association as set forth in the Articles of Incorporation, these Bylaws and the Declaration in good faith, in the best interests of the Association, as a person of ordinary prudence would use under similar circumstances including reasonable inquiry, diligence and skill. In the performance of its duties, the Board may rely upon opinions, information, guidance or reports received from the Association's accountants, architects, engineers, legal counsel, Manager and similar professionals, as well as Association committees, and other persons, including Board Members as may be permitted by Sections 5712 (a) of the NPC, and 5303 of the Act.

Section 2. Specific Duties of the Board. The Duties of the Board shall include by way of illustration, but not by way of limitation, the duties and obligations to:

a. Cause to be kept a complete record of all of its Acts and all corporate affairs; and

b. Cause a complete certified audit of the books and accounts for the Association to be made by an independent certified public accountant at the end of each fiscal year, and at any other time deemed necessary by the Board; and

c. Call Annual and General Meetings of the Members, as stated herein, or Special Meetings when deemed necessary by the Board or when a Special Meeting is requested by the required number of the Members; and

- d. Supervise all officers, agents, servants and employees of the Association, including, but not limited to, the Association's accountant, architect, engineer, legal counsel and/or Manager, and to see that their duties are properly performed; and
- e. Issue, or cause an appropriate officer or authorized agent to issue, upon demand by any Member or first mortgagee, the Estoppel Certificate required to be issued under the Declaration, prevailing law and any Rules and Regulations adopted by the Board upon the sale, conveyance or other transfer of the title to a Unit; and
- f. Administer, operate, maintain, repair, restore, develop, manage, insure and improve the Common Elements, and all improvements thereon, as well as the Association's personal property, in accordance with the Governing Documents; and
- g. Promptly publish rules and regulations adopted by the Board to the Members; and
- h. Levy, assess, enforce and collect all Assessments, costs, fees, fines, expenses, interest or charges provided in the Declaration, Bylaws and/or Rules and Regulations; and
- i. Obtain such insurance as is required herein or in the Declaration, and to hold the proceeds of any insurance claim for use in the manner required by the Declaration and applicable law; and
- j. Open and maintain accounts with such banks and/or financial institution as the Board may deem appropriate to the financial needs and circumstances of the Association, save that in selecting all accounts in which Association funds are held as reserve or contingency funds for future major repairs, replacements and expenses, the Board shall exercise only that degree of judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their own funds, considering the probably income to be derived therefrom, as well as the probably preservation and safety of capital; and
- k. Enforce compliance by the Members and Occupants with the covenants, easements, restrictions, terms, conditions and provisions of the Governing Documents; and
- l. Adopt Annual Budgets for all Common Expense of the Association and publish the annual budget to the Members not less than thirty (30) days prior to the start of each fiscal year of the Association; and
- m. All such other duties as are appropriate and necessary to conduct the business and affairs of the Association.

ARTICLE XIV
EXECUTIVE BOARD MEETINGS

Section 1. Meetings of the Board. Except during the Declarant Control Period, the Board shall hold an annual meeting of the Board after the Annual meeting of the Members, at a date, place and time selected by the President, even if the President has not been reelected to serve on the Board. The annual meeting of the Board may be held, if selected by the President immediately after the Annual meeting of the Members. The Board may also hold such additional regular meetings throughout the year as the Board may deem necessary and appropriate to the performance of its duties and obligations, save that the Board must hold not less than one meeting per quarter. The meetings of the Board may be held without notice to the Members. Meetings of the Board may be held at the registered office of the Association or such other place as the President shall determine. The annual meeting of the Board shall be an organizational meeting for purposes of selecting officers and conducting such other business as the Board may wish to conduct.

a. Regular meetings of the Board may be held without notice to the Members. Regular meetings of the Board shall be held as called by the Board President, or a majority of the members of the Board, at such time and at such place as the President of the Board shall determine. If a regular meeting of the Board is scheduled prior to the close of its prior meeting, then no notice of the regular Board meeting need be given to the Board members. If a regular meeting of the Board is not scheduled prior to the close of its prior meeting, then notice of the regular Board meeting must be given to the Board members by the Secretary by first class mail, postage prepaid, and/or by e-mail, facsimile mail, posting on the Board member's Unit and/or by telephone not less than three (3) days prior to the meeting.

b. Special meetings of the Board may be held without notice to the Members. If a special meeting of the Board is scheduled prior to the close of any regular meeting of the Board, then no notice of the special Board meeting need be given to the Board members. If a special meeting of the Board is not scheduled prior to the close of a regular Board meeting, then notice of the special Board meeting must be given to the Board members by the Secretary by first class mail, postage prepaid, or by e-mail, facsimile mail, posting on the Board member's Unit and/or telephone not less than one (1) day prior to the meeting.

c. Special meetings of the Board may be called by the President, or a majority of the Board members.

d. Notice of a regular Board meeting shall be deemed to have been received by a Board member if the regular meeting was scheduled on the record, during the course of a preceding regular Board meeting. Notice of a regular Board meeting shall also be deemed to have been received if given to the Board member personally, or by telephone, facsimile or e-mail, or by posting on the Board member's Unit, or by written notice from the Board Secretary by first class mail, postage prepaid.

e. Notice of special meetings of the Board shall be deemed to have been received by a Board member if the special meeting was scheduled on the record, during the course of a preceding regular or special meeting. Notice of a special Board meeting shall also be deemed to have been given to the Board member personally, or by telephone, facsimile or e-mail, or by posting on the Board member's Unit, or by written notice from the Board Secretary by first class mail, postage prepaid.

f. The appearance of a Board member at a Board meeting, and/or their participation in a Board meeting for any purpose other than challenging lack of notice, shall be deemed to be a waiver of lack of notice, and/or any defect in receiving notice.

g. Except as may be determined by the Board from time-to-time or mandated by law, all meetings of the Board shall be closed meetings, save that the Board may open any Board meeting to request or permit attendance by any Member, the Association's agents, servants, employees, contractors and professional advisor or consultants, and any other person authorized, invited or requested by the Board to attend a Board meeting, save that the President or the Board by majority vote, may call any meeting of the Board into executive session at any time.

h. The members of the Board shall have the power to take Action on behalf of the Association in the absence of a meeting by obtaining the written approval of the Action by a majority of all of the Members of the Board then in office; and any Action so taken shall be binding upon the Association in the same manner, and be an Act of the Association, in the same manner as if done at a meeting.

Section 2. Quorum of Board. A quorum for Board Action shall consist of a majority of the occupied positions on the Board at the time the vote or Action is proposed to be taken.

Section 3. No Compensation. No member of the Board shall be compensated for performing their duties as a member of the Board; however, upon majority vote of the Board, Board members may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties.

ARTICLE XV

CONFERENCE TELEPHONE

Section 1. Conference telephone. One (1) or more Members may, if authorized by the Board, participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other. Participation in a meeting pursuant to this Article shall constitute presence in person for purposes of quorum calculations.

ARTICLE XVI
OFFICERS

Section 1. Officers. The Officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer. During the Declarant Control Period, the Officers of the Association may be appointed by the Declarant. After the Declarant Control Period, or if not appointed by the Declarant during the Declarant Control Period, the Officers of the Association shall be appointed by majority vote of the Board. After the Declarant Control Period the offices of the President and Vice President must be held by members of the Association. Except during the Declarant Control Period, the offices of the Secretary and Treasurer, must be held either by members of the Board or by Members of the Association. Except during the Declarant Control Period, no Board member, and no Member of the Association, may hold more than one of these offices. Officers who are not members of the Board may attend meetings of the Board.

Section 2. Election of Officers. Except during the Declarant Control Period, the Officers shall be elected at the first meeting of the Board after the Annual Meeting by majority vote of the Board. Except during the Declarant Control Period, Officers may be removed, replaced and/or reassigned at any time, with or without cause, by majority vote of the Board. During the Declarant Control Period, Officers appointed by the Declarant may be removed and replaced at the discretion of the Declarant.

Section 3. Terms of Officers. All Board Officers shall hold office for one (1) year terms. However, if an Officer is a member of the Board, then the Officer's term may not extend beyond the Officer's term of office as a member of the Board.

Section 4. Resignation and Removal. Any Officer may resign at any time by giving written notice to the Secretary. Notice of resignation shall take effect on the date of the Secretary's, or if the Secretary is resigning, the President's, receipt of such notice. Except during the Declarant Control Period, any Officer may be removed at any time, for any reason, by majority vote of the Board. During the Declarant Control Period, Officers appointed by the Declarant may only be removed and replaced by the Declarant.

Section 5. Vacancies. Except during the Declarant Control Period, a vacancy in any Officer position shall be filled by appointment by majority vote of the Board as soon after the vacancy is created as possible. During the Declarant Control Period, the Declarant shall possess the exclusive power to fill such vacancies.

Section 6. President. The Board President shall preside at all meetings of the Board, and at all meetings of the Members, see that orders and resolutions of the Board are carried out, and sign agreements, contracts, notes, checks, leases, mortgages, deeds and all other written instruments on behalf of the Association. The President shall be an ex-officio, non-voting member of all committees, if any, appointed by the Board. The President shall possess all the powers and duties ordinarily attributable to the chief executive officer of a Pennsylvania Non-Profit Corporation.

Section 7. Vice President. The Vice President shall perform all the duties of the President in the President's absence, and such other duties as may be assigned by the Board.

Section 8. Secretary. The Secretary shall have charge of, and shall keep and record, or cause to be kept and recorded, the votes and minutes of the proceedings of all meetings of the Board and the Members in a book to be kept for the purpose. The Secretary shall also: give Notice of meetings of the Board and of the Members; prepare all ballot and proxy form; have charge of, and shall carry-out, receive, transmit and keep records of all correspondence, notices, and communications between the Master Association, its Members, the Board and all other persons, partnerships, corporations, government agencies and bodies, and other entities who may correspond or do business with the Association, including, but not limited to, notices to the Members of the approval of any budget and any changes thereto, as well as any capital expenditures approved by the Board, if any, as may be required by law. The Secretary shall also perform such other duties as may be assigned from time-to-time by the Board. In performing the aforesaid functions and duties, the Secretary may act by and through, and with the aid and assistance of, an assistant secretary, other Board members, or the Manager if one is retained, as may be authorized by the Board.

Section 9. Treasurer. The Treasurer shall have charge of, and shall receive and deposit into accounts designated by the Board, all monies of the Association, and disperse such funds as directed by the Board. The Treasurer shall also keep: the records of the Association; a membership book containing the name and address of each Member, and record therein the fact and date of each termination of membership and the names and address of each new Member; the corporate seal of the Association and affix it on all documents requiring said seal. The Treasurer shall also keep, or cause to be kept, correct, complete and proper books of account; cause an annual audit of the Association's books to be made by a certified public account at the completion of each fiscal year; and promptly mail or deliver a copy of the audit to each Member after the Board approves the audit. The Treasurer shall prepare an annual budget for review and adoption by the Board, together with an annual statement of income and expenses. The Treasurer shall present the said budget and annual statement to the Members at the Annual Meeting. In performing the aforesaid functions and duties, the Treasurer may Act by and through, and with the aid and assistance of, and assistant treasurer, or the Manager if any is retained, as may be authorized by the Board.

ARTICLE XVII
MANAGER

Section 1. Manager. The Board shall have the power, but not the obligation, to appoint, employ and contract for the services of a Manager for the Association, and to delegate to such Manager such limited powers, duties and responsibilities as the Board may deem appropriate and necessary for a Manager to effectively administer and manage the day to day affairs of the Association, subject to the following limitations:

- a. The Manager shall be a professional agent or corporation selected by the Board.
- b. The Manager may only be employed or retained under the terms of a written contract.
- c. The Manager's contract shall contain an affirmative statement by the Manager acknowledging receipt and review of the Association's Governing Documents, and an affirmative statement by the Manager that the Manager agrees to Act at all times by, and on behalf of, the Association in accordance with the Governing Documents.
- d. No contract with any Manager shall extend for an initial term in excess of three (3) years. However, the contract may contain optional renewal periods not in excess of one (1) year, subject to the condition that the Manager must provide the Board with written notice of the renewal date at least thirty (30) days prior to the renewal date, and give the Association at least fifteen (15) days to accept or reject the renewal.
- e. The Manager must maintain commercial general liability insurance and errors and omissions insurance, with coverage limits deemed sufficient by the Board, throughout the duration of the Manager's contract with the Association.
- f. If requested by the Board, then the Manager must maintain fidelity bond coverage for the Manager and all of the Manager's agents, servants, employees and contractors who will have access to the Association's accounts of funds, with coverage limits deemed sufficient by the Board, throughout the duration of the Manager's contract with the Association.

Section 2. Indemnification of the Manager. The Association may agree to indemnify and hold the Manager harmless for all Acts of the Manager done by, or on behalf of the Association, except those Acts which represent gross negligence, a breach of the Governing Documents or applicable law, or willful misconduct by the Manager. The Association may name the Manager as an additional insured on any insurance policy maintained by the Association in order to effect the foregoing indemnification.

Section 3. Indemnification of the Association. The Manager shall agree to indemnify and hold the Association harmless from Acts by the Manager which represent

gross negligence, a breach of the Governing Documents or applicable law or which represent willful misconduct by the Manager.

Section 4. Termination of Manager's Contract. All contracts with the Manager shall be terminable by either party upon ninety (90) days written notice.

Section 5. Manager's Functions. Under and subject to the contract with its Manager, the Board may assign its day to day administrative and supervisory functions to the Manager, but, with the exception of providing administrative support to the Board, the functions assigned to the Manager may not include the Board's powers and duties to:

- a. Call Annual, General or Special Meetings of the Members; and
- b. Enter into Contracts for services, supplies or materials requiring the Association to pay any amount in excess of a total of \$10,000.00; and
- c. Adopt, levy and assess Assessments; and
- d. Adopt and publish the annual budget and/or any amended annual budget; and
- e. Adopt, amend, withdraw, enforce and publish rules and regulations; and
- f. Impose fines and/or suspend a Member's good standing status and membership rights and privileges; and
- g. Appoint Committees; and
- h. Open or close bank accounts, or accounts with other financial institutions, except upon receipt of written Board approval; and
- i. Negotiate or draft any check or instrument by, or on behalf of, the Association, except in accordance with procedures established by the Executive Board; and
- j. Open or close bank accounts, or accounts with other financial institutions, except upon receipt of written Board approval; and
- k. Negotiate or draft any check or instrument by, or on behalf of, the Association, except in accordance with procedures established by the Executive Board; and
- l. Establish any policies or perform any functions requiring the exercise of the Board's discretion and judgment.

ARTICLE XVII COMMITTEES

Section 1. Committees. The Board may appoint, reappoint, change the function and duties of, change the size of, suspend and terminate such committees as the Board may from time-to-time deem desirable.

Section 2. Appointment. The Committees shall be appointed by the President, or by vote of a majority of the Board, and shall serve at the pleasure of the Board subject to the following limitations:

a. The size, functions, powers, and duties of each committee shall be determined by the President or the Board, and any one or more of the Members may be appointed to serve on any committee, save that all committee chairpersons, and a majority of the members of any committee appointed must be Members who reside in the Community.

b. Any member of any committee may be removed from that committee by the President or the Board at any time, with or without cause.

c. An appointment to a committee may be made by the President or the Board at any time.

d. The President shall appoint the chairperson of all committees; and committee chairperson shall serve at the pleasure of the President.

e. A committee shall hold and exercise only those powers and duties, if any, granted to it by the Board, save that the Board shall not have the power to give or assign any power or duty specifically reserved to the Board in these Bylaws, or in the Declaration, to any committee. The primary functions of committees are to assist the Board, to gather information, and to operate as fact finders and advisors to the Board.

f. The Board may adopt procedures and/or Rules and Regulations by which a committee shall proceed within its assigned scope of responsibility; and committees may adopt internal operating procedures not in conflict with the Governing Documents, the scope of their assigned responsibility and the Rules and Regulations.

Section 3. Reports. From time-to-time the Board may request or direct, and the committee shall thereafter research, prepare or provide as directed, reports, proposals, memorandums, opinions or such other assistance as the Board may request.

Section 4. No Compensation. No member of any committee shall be compensated for performing their duties as a member of the committee; however, upon majority vote of the Board, committee members may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties.

ARTICLE XIX
ARCHITECTURAL CONTROL

Section 1. No Architectural Changes Without Approval. In order to ensure harmonious and efficient development of the Property, no change, modification, repair, renovation, reconstruction, improvement, or addition shall be undertaken to any Unit, nor shall any work be done by any Member upon any of the Common Elements, except in accordance with Plans and Specifications which have first been submitted by the Member to, and approved in writing by, the Board in accordance with this Article XIX and any applicable Rules and Regulations of the Association.

Section 2. Changes to Units. The Member shall not bear any obligations to obtain any architectural approval under the provisions of this Article XIX if the proposed improvements are to be made only to the nonstructural portions of the interior of a Unit, and provided the proposed improvements are to be made completely within the title liens of the Unit. No work may be done to any structural or load-bearing portion of any Unit, nor upon any portion of the Common Elements, by any Member except upon the Member's receipt of written architectural approval in accordance with this Article XIX prior to doing any work.

Section 3. Architectural Control Committee. The Board shall have the power to serve as, or to appoint, as the Board may deem appropriate, an Architectural Review Committee. If appointed by the Board, then the Architectural Review Committee (the "Committee" for purposes of this Article XIX) shall be composed of not less than three (3) members, the majority of which Committee Members must reside in the Community. One of the Committee members shall be appointed by the President to serve as Chairperson of the Committee. The Board President shall serve as an ex-officio, non-voting member of the Committee.

Section 4. Rules and Regulations. The Board shall have the power and discretion to adopt, amend, revise and/or withdraw from time-to-time, as the Board may deem appropriate, such Architectural Rules and Regulations as are not in conflict with the provisions of this Article XIX.

Section 5. Review by Committee. In reviewing plans and specification submitted by an applicant, the Board, or the Committee, as applicable, shall examine the completed application and shall consider, among such other factors as may be deemed appropriate, the following:

- a. Completeness and accuracy of the application documents, and compliance of the application documents with the Governing Documents and any Architectural Rules and Regulations, if any, adopted by the Board; and
- b. Location and nature of the proposed improvements; and
- c. Avoiding encroachments on the Common Elements; and

- d. Avoiding any impairment of the appearance or value of the Property; and
- e. Avoiding threats to the health, safety, and welfare of the Members; and
- f. Conformity to, and preservation of, the prevailing general and specific architectural style and finish details (including paint color, windows, doors and trim) of the existing Common Elements; and
- g. The conservation and preservation of the prevailing general and specific topography, landscaping and trees on the Property, as well as preserving the harmonious and uniform architectural appearance, style and finish details (including by way of example, but not by way of limitation, sight lines, fences, paint color, windows, doors, roofs, siding, decks, patios, balconies, and exterior veneers, surfaces and trim) of the Common Elements, buildings and Units; and
- h. All applicable federal, state and local ordinances, laws, regulations and statutes, including South Hanover township Zoning and Building Ordinances (save that the issuance of an approval, if any, by the Board shall not be deemed to be a certification of compliance of the applications therewith; and the Board may rely upon any certification of compliance stated by the applicant in the application); and
- i. Permitting reasonable modifications to the Property to allow handicapped Members or Occupants full access to, and enjoyment of, his or her Unit.

Section 6. Architectural Committee General Functions. In addition to such other functions as shall be borne by the Committee, or assigned to the Committee by the Board, or established by the Board incident to the adoption of Rules and Regulations, the Committee will preserve and protect the consistent, uniform and harmonious external design, appearance, view and location of the Common Elements, the Common Facilities and all improvements now or hereafter erected thereon, as well as the common use areas and common elements on the Phases, in such a manner as will preserve and enhance the value and appearance of the Property. The Committee will also monitor compliance of the Members, Owners and Occupants with all applicable architectural control provisions of the Master Declaration and such Architectural Rules and Regulations as may now or hereafter be adopted.

Section 7. Submission of Architectural Applications. The Committee shall receive, consider and review written applications by the Members to make improvements, changes, alterations, additions, or repairs (the "Proposed Improvements") to the Units and Common Elements. All applications must be made in writing. All such applications shall be submitted to the Committee by certified mail, return receipt requested, or by hand delivery to the Chairperson of the Committee or the Manager.

Section 8. Contents of Architectural Applications. All applications must be in writing, and must contain the following: a narrative description of the Proposed Improvements; clear color photographs of the site where the work or Improvement is intended to be performed or constructed; complete plans and materials specifications, to include a blueprint or sketch plan with scale stated and all adjacent existing improvements, buildings and Phase boundary lines depicted, as well as trees having a caliper of two (2) inches or more, driveways, parking lots, roadways, streets and sidewalks. If requested by the Board, the plans must be sealed by a Registered Architect and/or Professional Engineer. The application shall also contain such additional documentation, plans, information or exhibits, if any, as may be requested by the Committee or Board to facilitate review of the application.

Section 9. Architectural Committee Recommendations. Upon review of a complete application, the Committee shall issue a written recommendation to the Board advising the Board as to whether the application complies with this Article XIX and any Architectural Rules and Regulations adopted by the Board, and recommending that the application be denied, approved or approved subject to conditions.

a. Incident to issuing any recommendations to the Board, the Committee may make suggestions to the Board regarding conditions, and/or modifications to the submitted applications, plans and specifications with the Board should consider setting forth in any final approval of the application the Board may issue. A recommendation of disapproval by the Committee shall not bar the applicant from withdrawing, revising and resubmitting an application to the Committee.

b. The Committee need not review or consider any application which it deems to be incomplete; save that the Committee shall advise the applicant Member in writing of the documents need to be submitted to the Committee to complete the Application.

b. The Committee must issue a written recommendation to the Board within thirty (30) days of receipt of a complete application; the failure of the Committee to issue a written recommendation within thirty (30) days of the receipt of a complete application shall be deemed to be a recommendation to the Board that the application should be denied.

d. The Committee must promptly forward the application and all documents submitted to the Committee in support of the application to the Board together with the Committee's recommendation, or promptly upon the Committee's deemed recommendation of denial.

Section 10. Committee Recommendation is Not Board Approval. A recommendation of approval by the Committee of any application is not an approval of the application, and no work may be started, nor may materials be delivered, until such time as a written approval, if any, is issued and signed by the Board.

Section 11. Board Review of Application and Committee Recommendation.

The Board shall review an application and the Committee's recommendation and issue a denial, an approval, or an approval subject to conditions within thirty (30) days of its receipt of the Committee's written recommendation; and the failure of the Board to issue a written decision within thirty (30) days of receipt of an application and written recommendation from the Committee shall be deemed to be a denial of the application.

a. Without regard for the Committee's recommendation of approval, or approval subject to conditions, the Board may approve or deny any application, save that no application shall be unreasonably denied.

b. The Board may, as it deems necessary, meet with an Owner to review and discuss an application before making a decision on an application.

c. Applications approved by the Board must be signed by the Board President and/or Secretary.

d. The Board may impose such conditions, restrictions or requirements upon the Proposed improvements as it deems appropriate incident to granting an approval.

e. The denial of an application by the Board shall not bar the applicant from withdrawing and/or revising and resubmitting an application to the Committee.

Section 12. Appeal. Any applicant aggrieved by the decision of the Board in issuing a denial of an application, or an approval subject to conditions, restrictions or requirements shall have a right of appeal of the denial directly to the Board, and to request an appeal hearing before the Board in accordance with such appeal or due process procedures as may appear in these Bylaws or be established by the Board through the adoption of Architectural Control Rules and Regulations. The denial of an appeal shall not bar the applicant from withdrawing and/or revising and resubmitting an application to the Committee.

Section 13. Conditions of Architectural Approval. The following conditions shall be deemed to be attached to all applications approved by the Board, or a panel of arbitrators, if applicable, without regard for whether such conditions are specifically stated in any approval issued:

a. The Member shall secure such building permits as may be necessary under prevailing federal, state, local or municipal statutes, laws, codes, or ordinances, before any materials are delivered to the site, and before starting the Proposed Improvements, and to comply with all applicable laws, regulations, and ordinances, including safety rules and regulations; and

b. The issuance of an approval by the Board shall not be deemed to be, or to effect, a waiver of the need for the Member to obtain all necessary building permits before proceeding with the Proposed Improvements; and

c. The applicant and/or the applicant's general contractor, as applicable, shall maintain workman's compensation and liability insurance in an adequate amount throughout the course of the completion of the Proposed Improvements; and

d. The Proposed Improvements shall be built and completed at the sole cost and expense of the Member; and

e. The Proposed Improvements shall be completed in strict compliance with all plans and specifications approved, as well as all conditions, restrictions and/or limitations attached to the approval by the Board, and/or arbitrators, if applicable; and

f. Upon completion of the Proposed Improvements, all disturbed portions of the Common Elements, if any, shall be promptly returned by the applicant to the condition and appearance which prevailed thereon prior to the start of work, except for those changes made incident to completing the approved Proposed Improvements, at the sole cost and expense of the applicant.

Section 14. No Changes to Common Elements. No Member may perform any work, or erect any improvements, which will touch upon, effect, or enclose any portion of the Common Elements except upon the receipt of such approval as may be required under the Act.

Section 15. Applicant's Indemnifications. Each applicant, by acceptance of the Deed to his, her, their or its Unit, hereby covenants and agrees to indemnify, and hold the members of the Board, and if appointed, the members of the Committee, harmless from any liability, claim, damage, cost, or expense arising from the Board's and/or the Committee's performance of their review and approval functions pursuant to the terms and provisions of this Article XIX.

Section 16. Resubmission of Application. If a Member's application for architectural approval is denied, then the Member may revise and resubmit the application for architectural approval.

ARTICLE XX

ASSOCIATION BUDGET AND RESERVES

Section 1. Annual Budget. The Board shall prepare and adopt the annual budget for each fiscal year of the Association not later than thirty (30) days before the expiration of the fiscal year. The annual budget shall take into account the estimated Common Expenses, and any other anticipated cash requirements of the Association for the forthcoming year, as deemed necessary by the Board. The annual budget shall also take into account the estimated net available cash income for the year from all sources,

including assessments and fees, if any, from the operation or use of the Common Elements.

Section 2. Reserves. In establishing the annual budget for each fiscal year of the Association, the Board shall include in the budget an appropriate amount, or amounts, for reserves for anticipated major replacements and repairs of the Common Elements, the Limited Common Elements and the improvements thereon, as well as those portions for the Buildings and Units for which the Association may bear any maintenance, repair or replacements obligation. After the Declarant Control Period the Board shall from time-to-time, as the Board may deem necessary and appropriate, perform a reserve study, and the costs thereof shall be a Common Expense of the Association.

Section 3. Budget and Reserve Procedures. In preparing and administering the budget, and handling reserves, the Board shall be bound by the following procedures:

a. The reserve for major repairs and replacements may not be charged with any costs of repairs or replacements of the Common Elements, Common Facilities nor the improvements thereon, which is not funded in the annual budget.

b. If any expenditures are charged to the major repairs and replacements reserve account for the current year for which inadequate funds have been deposited before the expenditure is to be made, then the budget reserve provisions which otherwise would be established for the succeeding fiscal year shall be increased by such amount over what it otherwise would have been, as will restore to the reserve all funds expended or exhausted by the subject expenditure in the prior year.

c. The Association's reserve funds may be carried in any legal investment for a fiduciary as permitted under the Decedents, Estates and Fiduciaries Code, 20 Pa. C.S.A. Section 7302, et seq., to be held in such banking or financial institution as may from time-to-time be designated by the Board; save that in selecting all accounts in which Association reserve funds are to be held, the Board shall exercise only that degree of judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their own funds, considering the probable income to be derived therefrom, as well as the probable preservation and safety of their capital.

d. No portion of the reserve fund which has not been spent at the end of the current year, or any later year, is to be refunded or rebated to the Members of the Association, except in the event the Association is terminated.

e. The Board shall deliver to all Members copies of each budget approved by the Board, as well as notice of any capital expenditure approved by the Board, within thirty days after either such approval.

Section 4. Signatures on Checks and Instruments. Two (2) of the Association must sign all checks and instruments drawn against the Association's Reserve Accounts. The Association's Manager may be authorized by the Board to Act as individual signatory on behalf of the Association to draw, sign and issue checks against the Association's general operating account to conduct the routine day to day business affairs for the Association subject to the limitation that the Board may limit the amounts and payees on checks drawn by the Manager. All documents dealing with, touching upon or granting any right, title, easement, license, mortgage or security interest in the Common Elements, and/or the Association's accounts receivable or assessments must be signed by the President and the Secretary, or in the absence of the Secretary, the Treasurer.

ARTICLE XXI **CORPORATE RECORDS**

Section 1. Maintenance of the Association's Books and Records. There shall be maintained by the Board at the registered office of the Association, or such other office as may be directed by the Board, the financial books and records of account of the Association, a membership register containing the names and addresses of the members of the Association, an original or duplicate record of the minutes of all meetings of the Members and of the Board, all resolutions and budgets adopted by the Board, the original or a copy of the Declaration, as well as the original or copies of these Bylaws and the Rules and Regulations, including all amendments or supplements to them.

Section 2. Inspection of the Association's Books and Records. Except as stated below every Member shall, upon written demand under oath stating a proper purpose, have a right to examine, in person, by agent or attorney, during usual business hours, any file maintained for the Member's Unit, the financial books and records of account of the Association, a membership register containing the names and addresses of the members of the Association, an original or duplicate record of the minutes of all meetings of the Members of the Board, all resolutions and budgets adopted by the Board, the original or a copy of the Declaration, as well as the original or copies of these Bylaws and the Rules and Regulations, including all amendments or supplements to them, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member of the Association. In every instance where an attorney or other agent shall be the person who seeks to exercise the right of inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to act on behalf of the Member. The demand under oath shall be directed to the corporation at its registered office in this Commonwealth, or at its principal place of business or manager's office, wherever situated. The foregoing right of inspection shall not require the Association to make available during the course of any inspection any confidential records including by way of example, but not by way of limitation, the assessment account information or statements for any Unit other than the inquiring Member's Unit, the file for any Unit regarding violations, or alleged violations, of the Governing Documents, except for extracts therefrom prepared by the Association in a manner intended to preserve any

Member's privacy, confidential records, legal opinions prepared for the Board, and litigation fees.

a. If any Member provides the Association with written instructions not to publish the Member's name and address, or instructions not to permit the inspection of the Member's name and address in the membership register, then the Association shall not publish the Member's name and address, not enter it in the membership register made available for inspection. However, the Association will continue at all times to possess the power to use the Member's name and address to forward any communications or notices to the Member which may be authorized by the Board, and/or authorized or required by these Bylaws.

b. No Member shall have any right to inspect any files maintained by the Association for any Unit other than the Member's Unit. No Member shall have any right to inspect any Association records or documents in regard to the Assessments due to the Association for any Unit other than the Member's Unit. Nor shall any Member have any right to inspect any Association records or documents in regard to violations by another Member, or fines due to the Association from another Member.

c. No Member shall have any right to inspect any confidential records or documents, nor any correspondence, legal opinions, documents or memoranda given to, or prepared for, the Board by the Association's attorneys. Nor shall any Member have any right to inspect any legal opinions, documents or guidance given to the Board by the Association's attorneys, if the inspection will or may impair, limit or destroy the attorney-client privilege between the Association and its attorneys.

ARTICLE XXII **FISCAL YEAR**

Section 1. Fiscal Year. The Fiscal Year of the Association shall coincide with the calendar year, and shall begin on the first day of January of each year, and end of the last day of December of each year.

ARTICLE XXIII **ASSESSMENTS**

Section 1. Board to Levy Assessments. The Board shall have the exclusive power to assess, levy, collect and enforce all Assessments, including, but not limited to, Annual and Special Assessments, in order to raise all those funds necessary to pay the Common Expenses of the Association, to discharge the obligations and duties of the Association under the Declaration, and to permit the Association to perform its administrative and management functions and obligations in the manner required under these Bylaws and the Declaration, together with all such further assessment powers which may now or hereafter be vested in, or granted to, the Board by any statute, law, regulations or ordinance which is, or may be made, or which may become, applicable to

the Association. The Board may not levy any Assessments, nor any other charge, cost, fee, fine or expense, on any Unit until after title to the Unit is conveyed or transferred by the Declarant to an owner other than the Declarant.

Section 2. Common Expenses. The Common Expenses stated in the Declaration and those identified in the Act as Common Expenses are hereby declared to be Common Expenses of the Association.

Section 3. Surplus Funds. Any surplus sums, if any, accumulated from assessments for General Common Expenses and reserves for future General Common Expenses, including future major Common Element repairs and replacements, and assessments for Limited Common Expenses shall be credited in the manner required by Section 3313 of the Act, or applied to reserves, as may be determined by the Board.

Section 4. Levying of Assessments and Lien for Assessments. All those assessments which may be levied by the Association hereunder shall be levied by the Board, and shall be due and payable by the Unit Owners in accordance with the applicable provisions of this Declaration, and any Rules and Regulations which may be adopted by the Board. All assessments levied by the Board, together with all fees, fines, costs, interest and expenses, including costs of collection and attorney's fees, shall be a lien upon the Unit against which they are levied, and the personal obligation of the Unit Owner, from the time they are levied until the time they are paid in full to the Association.

Section 5. Preparation of Budget. At least thirty (30) days prior to the expiration of each Fiscal Year of the Association, the Board shall prepare and approve the annual budget for the Association. Each Unit, except for Units owned by the Declarant, shall be assessed a share of the Common Expenses stated in the annual budget as an Annual Common Expense Assessment. The share of the Common Expenses levied against each Unit shall be determined by multiplying the Common Expenses by each Unit's assigned Common Element Liability percentage, save that the Annual Common Expense Assessment levied against any Unit shall be payable in twelve equal monthly installments. Annual Common Expense Assessments levied against any Unit shall be deemed to have been levied on a monthly basis, and not on an annual basis.

a. The Board shall deliver to all Owners copies of each budget approved by the Board and notice of any capital expenditures approved by the Board promptly after either such approval. The Owners, by vote of sixty-seven (67%) percent of the vote in the Association, may reject any budget or capital expenditure approved by the Board within thirty (30) days after the approval.

Section 6. Failure to Fix Annual Common Expense Assessment. If the Board shall fail to fix a new Annual Common Expense Assessment for the upcoming fiscal year of the Association before the expiration of any fiscal year, then the Unit Owners shall continue to pay monthly installments of the Annual Common Expense Assessments in the same sums they were paying for the preceding fiscal year until such time as the Board

shall levy a new Annual Common Expense Assessment. The failure of the Board to levy a new Annual Common Expense Assessment shall not be, nor shall it be deemed to be, a waiver of the Board's power and duty to thereafter levy a new Annual Common Expense Assessment at such time as the Board may deem appropriate.

Section 7. Special Assessments. In addition to the Annual Common Expense Assessment, the Board may levy, at any time during the fiscal year, a Special Assessment or Assessments. No Special Assessment may be levied against any Unit owned by the Declarant, Special Assessments may be levied by the Board for such purposes as the Board may deem necessary, including, but not limited to, the following:

- a. Covering any budgetary shortfalls in income or assessments; and
- b. To pay for the balance of the costs, expenses and/or fees arising from any line item expenditure not adequately funded in the Budget; and
- c. Any unbudgeted Common Expense; and
- d. Any Common Element repair, maintenance, costs, damages, expenses, or fees, including attorney's fees arising from any replacement resulting from any Act of God, casualty, theft and/or weather related conditions; and
- e. Any other necessary Common Expense approved by the Board and incurred by the Association in the performance of its administrative, management and maintenance duties and obligations under the provisions of this Declaration and not otherwise incorporated into the Association's Annual Budget.

Section 8. Payment of Special Assessments. Any Special Assessments levied by the Board, if any, shall be made payable by the Unit Owners in such manner or frequency as the Board may deem appropriate, including, but not limited to, monthly installments. The Special Assessment levied against each Unit shall be determined by multiplying the total amount of the Special Assessment by the Common Expense Liability percentage assigned to each Unit.

Section 9. Crediting of Payments. Except as may be directed by the Board from time-to-time, including, but not limited to, through the adoption of Rules and Regulations, all payments of assessments made by Members, including payments made subsequent to payment due date established by the Board, shall be credited in the following order:

- a. Unpaid assessments; then
- b. Liened assessments; then
- c. Costs of collection, including court costs and attorney's fees; then

- d. Interest; then
- e. Late fees.

Section 10. Owners' Obligation to Pay Assessments, Expenses, Fees, Fines, Costs and Charges. The Declarant is not obligated to pay Assessments on Units owned by the Declarant. Upon the recording of a deed conveying or transferring title to a Unit from the Declarant to a Unit Owner, and thereafter upon acceptance of a Deed to a Unit by new Unit Owners, each Unit Owner irrevocably covenants and agrees to be bound by the Governing Documents and to make prompt and full payment of all assessments, expenses, fees, fines, costs and charges which may be levied under the Governing Documents against the Unit and/or Owner by the Board. The Unit Owner shall also be deemed to have irrevocably covenanted and agree to pay all penalties, interest, costs of collection and attorney's fees incurred by the Association in Governing Documents against an Owner and/or Occupant. No Owner may waive or otherwise escape liability for assessments, fines, fees or other charges levied against an Owner, Occupant, or Unit, or any other obligation due under the Governing Documents by waiver, non-use of the Common Areas, or by abandonment of a Unit, or by any other reason or Action by, or on behalf of, the Owner.

Section 11. Payment of Assessments. Each Unit Owner shall pay Annual Common Expense Assessments levied against his, her or their Unit on a monthly basis, on the first day of each month. Special Assessments levied by the Board shall be payable in monthly installments, or such other method or frequency of payment as the Board may deem appropriate. Common Expenses caused by negligence of the Owner or Occupant levied by the Board against an Owner shall be payable in a lump sum, or such other method and frequency of payment as the Board may deem appropriate.

Section 12. Common Expenses Benefiting Less Than All Units. Common Expenses incurred by the Association for labor, materials, services, professional guidance and/or supervision to maintain, repair or replace any portion of the Property which benefits fewer than all of the Units, shall be assessed and levied by the Board exclusively against the Unit or Units benefited thereby.

Section 13. Common Expenses Caused by Negligence. If any Common Expense incurred by the Association for any repair, restoration or replacement of the Property arises from or is caused by the negligence or misconduct of any Unit Owner or Occupant, or their family members, guests, agents, servants or employees, or arises from the failure of an Owner to maintain his, her or their Unit in the manner required by the Declaration, then the Board may levy any Common Expense incurred by the Association to provide the repair, restoration, or replacement as an assessment exclusively against the Owner's Unit, to be a lien upon the Unit, collectable, if not promptly paid upon the Owner's receipt of written notice of the levying of the assessment, in the same manner as a delinquent assessment.

Section 14. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment levied against a Unit, together with any other fee, fine, charge and/or cost of collection, including reasonable attorney's fees, assess or levied by the Board against a Unit which shall not have been paid within thirty (30) days after the due date established by the Board, shall be deemed delinquent. Upon a delinquency, the Association shall have the power to collect the delinquent assessment, fee, fine, charge, cost or expense, including the costs of collection, together with all attorney's fees from the delinquent assessments, fees, fines, charges, costs, expenses, costs of collection, and attorney's fees. The delinquent assessments, fees, fines, charges, costs of collection and attorney's fees shall be, and shall remain until fully paid by the Owner, the personal obligation of the Owner, and a lien upon the Owner's Unit.

Section 15. Costs of Collection and Enforcement. Delinquent assessments, fees, fines, costs, and expenses for maintenance, repairs, or replacements, if any may be incurred by the Association, which are recoverable from an Owner pursuant to the Governing Documents, and all costs and fees, including reasonable attorney's fees, incurred by the Association in the collection thereof, and/or in securing or enforcing the Owners' or Occupants' compliance with any of the terms, conditions and provisions of the Governing Documents, shall be a lien upon the Unit in the same manner as an assessment, and shall be enforceable, collectible and recoverable in the same manner as an unpaid assessment as permitted under Subsection 3315 of the Act.

Section 16. Interest. Delinquent assessments, expenses, fees, and/or costs of maintenance, repair or replacement recoverable under the Governing Documents in the same manner as an assessment together with costs of collection and attorney's fees enforceable under Section 3315 of the Act as an assessment, as well as judgments obtained by the Association against owners, shall bear interests at the rate of fifteen (15%) percent per annum, or such other maximum interest rate as may be established by the Act, on the outstanding balance due until full payment is received by the Association.

Section 17. Thirty Day Notice. Upon any Owner's account becoming thirty (30) days delinquent, the Association will provide written notice of such delinquency to the Owner by first-class mail, postage prepaid, addressed to the Owner at the Owner's Unit, or at the last address for the Owner shown in the Association's records if the Owner does not reside in the Unit. The notice shall state the amount due, the interest rate charged, a payment due date, the Association's right to collect liened assessments due of the balance of the year in accordance with the Declaration and prevailing applicable law, provide notice that the Owner may request a hearing before the Board on the delinquency, and advise the Owner that the Association may pursue all available legal remedies available under the Declaration and/or the Act if prompt and full payment is not received.

Section 18. Power to Collect Through Suit. If prompt and full payment is not made by the Owner in accordance with the Notice provided under Section 18 above, then the Association may bring an Action at law to collect any delinquent assessments, accelerated assessments, fees, fines, charges, expenses, and/or costs of collection,

including reasonable attorney's fees. The Association may also enforce or foreclose the lien against the Unit; and in the event of a suit to foreclose the lien against the Unit, the Association may proceed to foreclosure in the same manner as provided for an Action of mortgage foreclosure.

Section 19. Arbitration. At any time prior to the recovery of a judgment by the Association for delinquent assessments, liened assessments, fees, fines, charges, expenses and/or costs of collection, the Owner and the Association may agree to submit the matter to arbitration.

Section 20. Delinquent Assessment Collection Procedures. Upon the Owner's failure to request a hearing before the Board, and/or to make prompt and full payment in response to the thirty-day delinquency notice letter transmitted under this Article XXIII, or upon the failure of the Owner to make prompt and full payment after a hearing before the Board, as may be applicable, the Association may proceed with one or more of the following collection methods, at the same time, or consecutively, as the Board may elect:

a. Upon written notice to the Owner, addressed to the Owner at the Owner's Unit, or the last address for the Owner shown in the Association's records if the Owner does not reside in the Unit, which notice may be incorporated in the Notice to be transmitted under Section 17 above, the entire balance of any Annual, Special or other Assessment payable in installments immediately may be declared to be immediately due and payable in full, and a lien on the Owner's Unit; and/or

b. Charge a monthly late fee in an amount to be set by the Board;
and/or

c. Upon written notice to the Owner, addressed to the Owner at the Owner's Unit, or the last address for the Owner shown in the Association's records if the Owner does not reside in the Unit, which notice may be incorporated in the Notice to be transmitted under Section 17 above, suspend the Owner's Good Standing status; and/or

d. Provide written notice to the Owner's mortgagee of the nature and amount of any delinquent assessments and/or charges or expenses collectible in the same manner as assessments together with all accrued fees, fines, charges and/or costs; and/or

e. Commence and maintain a lawsuit against an Owner for all such delinquent and/or liened assessments, fees, fines, charges, interest, and/or expenses, which said suit shall not be deemed to waive the lien procedure provided hereinafter;
and/or

f. File petitions to reassess any judgment obtained against an owner for delinquent assessments, or any other sum of money recoverable from an owner under the Governing Documents or the Act, in accordance with the relevant provisions of the Declaration.

g. File a Claim of Lien in the manner permitted below; and

h. The foregoing is not, nor shall it be deemed to be, an exclusive list of collection procedures which may be followed by the Association. To the contrary, the Association may pursue any remedies now or hereafter made available to it under the Act or then prevailing law, and/or pursuant to the adoption of such Rules and Regulations regarding assessment collections, if any, which the Board may adopt, except that at any time prior to the recovery of a judgment by the Association, the parties to a delinquency dispute may agree to submit the matter to binding arbitration in the manner described herein.

Section 21. Enforcement by Claim of Lien. In addition to the collection procedures set forth above, each Owner, by acceptance and retention of the deed to his, her or their Unit, further covenants and agrees that the Association has the power to record or file a Claim of Lien with the Prothonotary and/or Recorder of Deeds of Dauphin County, as the Board may elect, on each delinquent Owner's Unit to secure payment to the Association of any and all delinquent assessments, fees, fines, charges, and costs of payment to the Association of any and all delinquent assessments, fees, fines, charges, and costs of collection, due or recoverable from a Unit Owner under the Declaration and/or these Bylaws, including interest thereon, and all costs incurred by the Association in connection with the recording or filing of the Claim of Lien, including filing fees and attorney's fees. The filing or recording of a Claim of Lien by the Association shall not be deemed to be a taking; but rather, the filing of a Claim of Lien shall be deemed to effect notice to the world of the amount due to the Association under the lien already created in favor of the Association pursuant to Section 3315 of the Act and upon the recording of the Declaration. Each delinquency may constitute a separate basis for transmitting a demand notice and/or the recording or filing of a separate Claim of Lien. Any number of defaults may be included within a single demand notice or Claim of Lien. A single recording or filing of a Claim of Lien shall not exhaust the Association's power to file a subsequent Claim of Lien. The power to file claims of lien against Unit owners shall continue in favor of the Association until the Condominium is terminated.

Section 22. Remedies Cumulative. All of the foregoing remedies in favor of the Association shall be deemed to be cumulative, and nothing set forth hereinabove shall prevent the Association from proceeding with one or more of its remedies consecutively or concurrently, as the Board may direct.

ARTICLE XXIV **DUE PROCESS PROCEDURE**

Section 1. Due Process Procedures. The Association has determined that the establishment of a Due Process Procedure for the determination and remediation of violations of the Governing Documents, and to prevent breaches and violations of the Governing Documents, will help to deter violations and secure voluntary compliance, preserve the health, safety, welfare and security of the Members, minimize Common

Expenses, facilitate maintenance of the appearance and value of the Property, and foster good morale and community spirit. Therefore, the due process procedures set forth herein shall apply to all breaches of the Governing Documents by a Member or the Occupant, except with respect to unapproved architectural changes. In the event of unapproved architectural changes, the Association may file suit against a Member or Occupant at equity or at law to abate or enjoin the unapproved architectural change, at any time, including prior to initiating due process procedures.

Section 2. Review of Complaint. The Board shall investigate and review complaints, and may do so by, through, or with the assistance of a Rules Committee. The Board may also utilize the services of the Manager to assist in obtaining information about the alleged violation and investigating a complaint. The board may contact the accused Member or Occupant directly to secure information or a response to the Complaint. Upon completion of its review and investigation, the Board shall determine whether a violation has occurred, and if a violation has been found to have occurred, to give Notice to the Member who committed, condoned or permitted the violation that the Board has determined has been made that the Member violated the Governing Documents.

Section 3. Due Process Rules and Procedures. The board may adopt, revise, amend and issue Due Process Rules and Procedures. The Due Process Rules and Procedures shall provide each Member accused of a violation of the Governing Documents with the opportunity to provide evidence and present testimony about the violation before any sanction is imposed upon the Member.

Section 4. Owner's Obligations. If the Board determines that a violation of the Governing Documents has occurred, without regard for whether the violation was committed by the Owner, or by the Owner's family members, guests or the Occupants of a Unit, the Owner of the Unit shall be deemed the person responsible for the violation, and the Owner shall be obligated to pay any fines levied, reimburse any costs, fees, or expenses incurred by the Association, and to carry out the abatement, cure or remediation ordered by the Board.

Section 5. Complaining Party. Any Owner, Board Member, Committee Member, or the property manager, if any be appointed, may submit a written complaint to the Board, in accordance with such Rules and Regulations, if any, as the Board may adopt with respect to submission of a complaint, and the complaint shall describe or allege the essential facts of a violation of the Governing Documents. Complaints must be signed by the person making the Complaint, specify the provision(s) of the Governing Documents allegedly violated, and set forth in detail the essential facts which are asserted to constitute the breach or violation.

Section 6. Board Review. The Board shall review all written complaints submitted at the next meeting of the Board, except that in the even to of a complaint with respect to any violation which represents an immediate threat to the health, safety,

welfare or security of the Owners, or to the appearance, function or value of the Property, the Board may meet to review the Complaint at the Board's earliest convenience.

a. The Board may not take action to determine the existence of any violation, or impose any fine or sanction, except upon the receipt of a signed, written complaint.

b. The Board may request that the Complaint be reviewed by legal counsel; but the Board shall make the final determination as to whether the Acts complained of represent a violation of the Governing Documents.

c. Incident to making such a determination, the Board may contact the Owner directly and secure information or a preliminary response from the Owner to the Complaint.

d. The Board may also attempt to resolve the matter informally as between the Complainant and the Owner who as allegedly committed the violation.

e. Any final, formal determination that a violation has been committed must be made by a majority vote of the Board, otherwise the Complaint shall be denied.

Section 7. Fines and Sanctions. In the event that the Board makes a final determination that there has been, or is, a violation of the Governing Documents, then the Board may levy a fine against the Owner in an amount consistent with the nature and severity of the violation. Fines may be levied in a progressive or per day manner for continuing violations. Fines shall be recoverable in addition to any costs, fees, expenses or charges which may be recoverable by the Association from the Owner under any other provision of the Declaration, these Bylaws and/or the Act. In addition to fines, the Board may impose such other sanctions as the Board deems necessary and appropriate, including the issuance of a cease and desist letter, and if necessary, a demand specifying action to be taken, or work to be done, to abate, cure or remedy the violation.

Section 8. Notice of Violation. Upon completion of its investigation, and a determination by the Board that a violation has been committed, the Board shall issue a Notice of Violation letter to the Owner. A copy of any Notice of Violation issued by the Board may also be transmitted to the Occupant of the Unit, if the Occupant is the person who was in control of the Owner's Unit at the time the violation occurred.

Section 9. Contents of Notice of Violation. Any Notice of Violation issued by the Board shall specifically identify the relevant provisions of the Governing Documents which have been violated, contain a statement of the essential facts giving rise to the violation, and as to any violation which is of a continuing nature, contain a directive to the Owner to cease and desist, and/or to require the Occupant of their Unit to cease and desist, from committing the violation and a description of the appeal procedures available to the Owner. The Notice of Violation may also contain notice of

the levying of a fine, and set forth specific action to be taken, or work to be done, by the Owner in order to abate, cure or remedy the violation and return the Property to the condition and state in which it existed prior to the violation.

Section 10. Fines Are Liens. Any fine imposed shall, until fully paid, constitute a lien against the Unit, and a personal obligation of the Owner, and shall be collectible in the same manner as a Common Expense Assessment.

Section 11. Additional Remedies. In addition to the powers to resolve a matter informally, to levy a fine, issue a cease and desist letter, and/or Notice of Violation, the Board shall have the power, but not the obligation, upon Notice to the Owner, to suspend an Owner's right to vote and to serve upon the Board and/or any Committee until the fine is paid or violation cured, and also to bring an Action at law, or in equity, or in both, against the Owner to collect any fines and/or costs of fees incurred, and to secure the Owner's compliance with the Governing Documents. The Board shall also have the power to pursue all remedies available to it under this Article consecutively, or concurrently, as the Board may elect.

Section 12. Fees and Costs of Enforcement. All costs, charges, expenses and fees, including court costs and attorney's fees incurred by the Association incident to determining the existence of a violation, collecting fines, and/or enforcing compliance with the Governing Documents in the manner aforesaid, including, but not limited to, those incurred, if any, to secure professional advice and guidance regarding the nature and extent of damages to the Property, and the work or action needed to remedy the violation and/or repair damages, as well as the costs of labor, materials, and any necessary oversight or guidance incident to work or action being taken by the Association to temporarily abate, cure or remedy a violation, as well as costs or fees incurred in attempting to reach an amicable resolution of the violation, shall be reimbursed to the Association by the Owner, and until paid, shall be a lien upon the Unit, and the obligation of the unit Owner, collectible in the same manner as an Assessment.

Section 13. Appeal Procedure. Any Owner against whom the Board has levied a fine, issued a cease and desist letter, and/or a Notice of Violation, shall have the right to file an appeal from such fine, letter or Notice to the Board, and to obtain a hearing, by filing a written Notice of Appeal with the Board within seven (7) days from the date the Notice of Violation was issued. The Notice of Appeal shall be filed with the Board Secretary and/or the Board President. The Notice of Appeal must state the essential facts and/or provisions of the Governing Documents allegedly giving rise to the basis of the appeal, and shall reference the date of the Notice of Violation issued by the Board.

Section 14. Appeal Hearing. An appeal hearing shall be scheduled by the Board's Secretary and held within thirty (30) days after the Board's receipt of the Notice of Appeal, unless extended by direction of the Board upon Notice to all parties, or by agreement of the Board and the Owner filing the appeal. The Appeal may be heard by the Board, or by a Board Member appointed by the Board to act as a Hearing Officer for the Board. The Owner, as well as the Complainant, shall have the right, but not the

obligation, to attend the hearing, and to produce any relevant statement, evidence and/or witnesses on the Owner's and/or the Complainant's behalf. Each party to such hearing, including the Board, may be represented by legal counsel, if conducted by a Hearing Officer, then upon the conclusions of the appeal hearing, the Hearing Officer shall prepare and submit a written report, together with all evidence present at the appeal hearing, to the Board for the Board's review and determination of the appeal; a copy of the Hearing Officer's report shall also be provided to the Owner who brought the appeal. During the course of any appeal hearing, strict rules of evidence shall not apply, but the Board or Hearing Officer may refuse to hear or admit testimony or evidence which is not relevant, represents hearsay, or is merely cumulative. All parties, including the Owner, the Board and/or Hearing Officer, and/or their respective legal counsels, shall have the opportunity to cross-examine all witnesses, and to examine all evidence presented during the course of the appeal hearing.

Section 15. Decisions Upon Appeals. After consideration of the evidence submitted, and/or the Hearing Officer's report, as applicable, and/or review of the transcript, if taken, the Board shall issue its decision in writing to the Owner and the Complainant. The Board's decision shall be issued within thirty (30) days after the conclusions of the appeal hearing, subject to extension by the Board to permit additional evidence or the transcript to be submitted to the Board, but the Board shall issue its decision within thirty (30) days of the receipt of all evidence and/or the transcript. Decisions of the Board shall be by majority vote, and shall be final and binding.

Section 16. Advisory Opinions and Arbitration. Any Owner may apply to the Board for the issuance of an Advisory Opinion regarding the interpretation or application of the Governing Documents. The Board may, but has no obligation to, respond to any request for the issuance of an Advisory Opinion. If the issuance of an Advisory Opinion would require the Board to consult with legal counsel, then the Board may forebear from rendering the Advisory Opinion until the requesting Owner agrees to reimburse the Board for all attorney's fees incurred. If issued, any Advisory Opinion issued shall be binding only as between the Association and the Owner to whom it is issued, unless otherwise stated by the Board within the Advisory Opinion.

Section 17. Arbitration Between Owners. In the event of any dispute between a Unit Owner and the Association arising under the Governing Documents, or with respect to the Owner's use or enjoyment of the Property, which cannot be resolved directly by the Unit Owner and the Association, and subject to the prior written consent of the Board and the Owner at any time prior to recovery of any judgment, the dispute may be submitted to arbitration, including binding arbitration if approved by a vote of a majority of the members of the Board.

ARTICLE XXV

INDEMNIFICATION OF OFFICERS AND EXECUTIVE BOARD MEMBERS

Section 1. General Rule for Indemnification. Each Board member and each Officer and committee member (and their heirs, executors and administrators) shall be

indemnified by the Association in accordance with the provisions of 68 Pa. C.S.A. Section 3302(a)(13) of the Act, as it may from time-to-time be amended or re-enacted, against any and all liabilities, fines, penalties and claims imposed upon or asserted against them, and against all expenses reasonably incurred by them, in connection with any claim or action, suit or proceeding (either civil or criminal) to which they may be made a party by reason of having been a Board member, Officer of the Association or committee member, except in relation to matters as to which they shall be adjudged in such action, suit, or proceeding to be liable by reason of having been guilty of gross negligence or willful misconduct in the performance of their duty as a Board member, Officer or committee member. However, in the event of a settlement, the indemnification herein shall apply only if the Association shall be advised by its legal counsel that, in counsel's opinion, such Board member, Officer or committee member was not guilty of gross negligence or willful misconduct in the performance of their duty as such Board member, Officer or committee member with respect to the matters covered by the pending claim, action, suit or proceeding. The foregoing right of indemnification shall not be exclusive of any other right to which the Board member, Officer or committee member may be entitled as a matter of law or otherwise.

Section 2. Limited Liability of Board. Without limiting the general indemnification provisions of Section 1 above, the Board, and its Officers, as well as committee members, in their capacity as members, officers and representatives or agent of the Association:

a. Shall not be personally liable to any Member or Occupant for the failure of any service to be obtained by the Board and paid for by the Association, nor for injury or damage to persons or property caused by the elements, infestation, war, civil unrest, weather or Act of God, nor by dust, sand, soil, rubbish, sewage or effluent, which may leak, flow or be driven by water or wind from the outside, or from any other Unit, or part of the Property, or from any pipes, drains, conduits, appliances or equipment, nor from any other place, into or onto any Member's Unit, unless in each such instance such injury or damage has been caused by the Board member's, Officer's, and/or committee member's will misconduct or gross negligence; and

b. Shall not be personally liable to any Member or Occupant as a result of the performance of their duties for any mistake of judgment, negligence or otherwise, except for the Board or committee member's, and/or Officer's own willful misconduct or gross negligence; and

c. Shall not be personally liable in contract to any Member or Occupant, nor to any other person or entity on, or under, any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board or the Association in the performance of their assigned duties; and

d. Shall not be personally liable to any Member or Occupant for loss or damage caused by accident, weather, the elements, infestation, war, civil unrest, Act of God, vandalism, theft of or damage to personal property deposited, erected or left by any

Member or Occupant in, on or about any Unit, Lot, or in, on or about the Common Elements, except for the Board, Officer or committee member's own willful misconduct or gross negligence; and

e. Shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to the Board, Officer or committee members as a result of, or by virtue of, the performance of their duties, except for the Board, Officer of committee member's own willful misconduct or gross negligence.

ARTICLE XXVI **NOTICE**

Section 1. Notice. Except as specifically set forth in these Bylaws, any Notice to be given or transmitted by, and between, the Association, the Board and the Members, unless otherwise provided herein, shall be made in writing, and shall be deemed given when mailed or delivered to the Member. Notice to the Association shall be made upon the Association's Manager, or in the absence of the Manager, upon the Secretary. Notice may be given in person, by hand delivery. Notice may also be given by United States mail, first class postage prepaid, or upon delivery to a reliable courier or overnight mail service, postage prepaid, addressed to the recipient at the last address for the recipient in the records of the Association at the time of the mailing or transmission of the notice. Notice may be given by facsimile transmission or email, save that Notice by facsimile transmission or email shall only be deemed to have been received if receipt of the Notice is confirmed by written confirmation generated and transmitted by the recipient.

ARTICLE XXVII **CONTRACTUAL POWERS**

Section 1. Validity of Contracts with Interested Board Members. No Contracts or other transactions may be made or entered into between the Association and any one (1) or more of its Board members or officers, nor between the Association and any corporation, firm, or association in which any one (1) or more of the Board members or officers are directors or officers, or are directly or indirectly, employed or financially interested, except upon full disclosure by the interested Board member or officer of his, her or their interest in, or employment with, the corporation, firm or association.

ARTICLE XXVIII **AMENDMENTS AND CONFLICTS**

Section 1. Amendments.

a. Except as may be limited by applicable law, and subject to the requirements of Section 1(b), upon ten (10) days notice to the Members, together with a copy of the text of the proposed amendment, these Bylaws may be amended by majority

vote of the members of the Board. Any amendment of these Bylaws adopted by the Board may be changed by vote of sixty-seven (67%) percent of the Members at any meeting of the Members. These Bylaws may also be amended by vote of sixty-seven (67%) percent of the Members at any meeting of the Members called to adopt an amendment to these Bylaws, or by an instrument in writing signed by sixty-seven (67%) percent of the Members who consent to the adoption of the amendment. Amendments will become effective upon adoption.

b. During the Declarant Control Period, no amendments to these Bylaws may be made without the written approval of FNMA.

Section 2. Conflicts. IN the case of any conflict between the Act and these Bylaws, the Act shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of the balance hereof.

ARTICLE XXIX **GENERAL PROVISIONS**

Section 1. Applicable Law. Without regard for any Member's or Board member's state of residence, domicile or business address, each Member by acceptance of a deed, and each Board member by acceptance of his or her election, and each committee member by acceptance of his or her appointment, agrees to be bound by, and to perform his or her duties in accordance with, the Governing Documents, and further agrees that these Bylaws shall be liberally interpreted and enforced for all purposes and in accordance with the laws of the Commonwealth of Pennsylvania.

Section 2. Non-Waiver. The failure of the Association, its Board, its officers, committees, or its Manager if appointed, to strictly enforce, or demand strict performance, in accordance with the terms, conditions and provisions of the Governing Documents, shall not be deemed to be a waiver of the right thereafter to strictly enforce or demand strict performance in accordance therewith.

Section 3. Jurisdiction. The Association, all Board and committee members, each Member, each Officer, each Board member, and each Committee member, covenants and agrees that the Court of Common Pleas of Dauphin County, Pennsylvania shall have original jurisdiction over all causes of Action arising from the application, enforcement or interpretation of these Bylaws, save that any suit for delinquent assessments, costs, fees, interest, fines, or any other sum of money, including attorney's fees, which may become due to the Association from any Member under the Governing Documents, may be filed in the local Magisterial District court, or equivalent court,

having jurisdiction over the Association, if the amount at issue is within the Magisterial District Court's jurisdictional limits.

Section 4. Enforcement and Notice to the Association. The Association, the Board, or any Member may initiate a cause of action to enforce the Bylaws. The Association may join in any enforcement action brought by a Member. No Member or Occupant may bring any action by, for, on behalf of, or against the Association, except upon first providing the Association with not less than sixty (60) days written Notice, by certified mail, first class, postage prepaid, of the nature and substance of the claims and causes of action the Member or Occupant intends to file, the names and addresses of the defendants, the relief or damages the Member or Occupant intends to demand, and the court in which the Member or Occupant intends to file the action. Notice shall be deemed to have been given to the Association if the Member and/or Occupant appends to the Notice a copy of the complaint the Member and/or Occupant intends to file.

a. The Association, acting by and through the Board, shall have the right, power and discretion to initiate due process procedures, and/or to take any other action available to it, and/or to pursue any remedies available to the Association under the Governing Documents, the Act, prevailing law or at equity to address and resolve the matters complained of by the Member or Occupant during the notice period.

b. The Member or Occupant who gave the notice to the Association may not start any action or file any complaint or summons against the Association until sixty (60) days after the date of the notice to the Association.

c. If a Member or Occupant fails to give the required notice to the Association, then the Member and/or Occupant who filed the action shall be deemed to have agreed and stipulated that the complaint or summons filed by the Member and/or Occupant may be stricken and withdrawn, and the action terminated, upon the filing of a copy of this Declaration, an affidavit signed by an authorized representative of the Association stating that the Member and/or Occupant did not give the Association the notice required by this Section 4, and an appropriate praecipe or motion.

d. Any Member or Occupant who files an action against the Association without first giving the Association the written notice required by this Section 4, shall also be required to reimburse the Association for all charges, costs, fees and expenses incurred by the Association in such matter, including court costs and attorney's fees.

e. Should any Member recover a sum of money in an action filed for or on behalf of, the Association, then the Member shall promptly pay over such sum to the Association, except for such deductions therefrom for reasonable attorney's fees and court costs as the court may permit by issuance of an Order.

f. Should a Member bring an action based in whole or in part against the Association, its Board, Board members, Officers or any committee or committee

members, and should the Member fail to substantially recover the damages or relief requested in the said cause of action, then any order or judgment of the court disposing of the cause of action shall also impose an award in favor of the Association, and against the Member, of all costs and fees, including reasonable attorney's fees, incurred by the Association in defending the cause of action.

g. All costs, expenses and attorney's fees incurred by the Association in any enforcement action brought against a Member and/or Occupant, including but not limited to costs and fees to prepare and file a complaint or other pleading, petition, writ, motion, memorandum or brief with the court to conduct discovery, negotiate and document an amicable resolution or settlement, try a case and/or collect a judgment against a Member, shall be reimbursed to the Association by the Member and/or by the Member who owns the Unit in which the Occupant resides.

h. All charges, costs, expenses, fees and attorney's fees incurred by the Association in any enforcement action brought against a Member and/or an Occupant of the Member's Unit shall be a lien on the Member's Unit until paid, and the personal obligation of the Member, recoverable in the same manner as a delinquent assessment.

i. All tort and/or breach of contract actions filed by Members and/or Occupants in any court, and/or with any federal, state or municipal agency, bureau or department, must be filed and brought against the Association, and not against the Board, the Directors and/or Officers, or any Committee appointed by the Board.


Section 5. Arbitration and Mediation. Any dispute involving the Association, its Board, any Officer, any Committee and/or any Member, may be submitted to mediation or arbitration upon the consent of the Association. Upon the affirmative vote of a majority of the members of the Board, a matter or dispute may be submitted to binding arbitration.

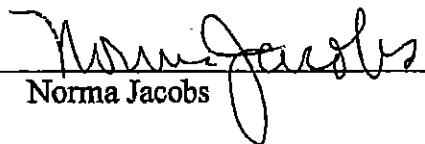
Section 6. Pronouns, Singulars and Plurals. All pronouns and any variations of pronouns shall be deemed to refer to the feminine, masculine, neuter, singular and plural as may be necessary to make the Article or Section of these Bylaws at issue applicable to the circumstances or matter in question. The failure of any pronoun to agree with the sex or number of persons at issue shall not, by itself, serve to defeat or in any way, impair the applicability of any Article or Section of these Bylaws or any Rules and Regulations adopted in the manner permitted by these Bylaws. The phrase "and/or" shall be deemed to be a function word to indicate that the two words or expressions are intended to be taken together, or individually, as may be appropriate to the circumstances or choices which may prevail at the time the relevant provision of this Declaration becomes applicable.

Section 7. Headings. The headings used throughout these Bylaws are for reference purposes only. They are not intended to, and shall not be deemed to substantiate, nor to grant or create any obligation, right, privilege, license or duty.

IN WITNESS WHEREOF, we, being the members of the first Executive Board of the Reserve at Hershey Meadows Condominium Association have hereunto set our hands the ___ day of April, 2004.

THE RESERVE AT HERSHEY MEADOWS
CONDOMINIUM ASSOCIATION

By: 
Bernard B. Brown

By: 
Norma Jacobs

By: 
Marc DeSouza