

MANCHESTER MEADOWS HOMEOWNERS ASSOCIATION

BYLAWS

ARTICLE I. - INTRODUCTORY PROVISIONS

A. Applicability. These Bylaws provide for the governance of the Manchester Meadows Homeowners Association, a Pennsylvania nonprofit corporation (hereinafter "the Association") pursuant to the Pennsylvania Planned Community Act ("the Act") with respect to the Community created by the recording of the Declaration in the Recorder of Deeds Office in and for York County.

B. Purpose. The purpose of the corporation is to be the Owners' Association for the Community, in accordance with the Act.

C. Definitions. Capitalized terms which are not defined herein shall have the meanings specified for those terms in the Declaration or the Act.

D. Compliance. Every present and future Lot mortgagee, Owner, and all persons occupying any Lot shall comply with the Act, the Declaration, these Bylaws, and the Rules and Regulations.

E. Office. The office of the Association shall be located in the Community or at such other place as may be designated from time to time by the Executive Board.

F. Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization, and the words "Corporate Seal, Pennsylvania."

ARTICLE II. - THE ASSOCIATION

A. Organization and Membership. The Association is organized as a Pennsylvania nonprofit corporation. All Owners (and only Owners) shall be members of the Association, and shall act in accordance with the Act, the Declaration, these Bylaws, and any Rules and Regulations adopted by the Association. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Community and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board or Managing Agent as more particularly set forth in these Bylaws.

B. Annual Meetings. The annual meetings of the Association shall be held on the _____ of _____ of each year unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding Monday. At such annual meetings, the Executive Board shall be elected by ballot of the Owners in accordance with the requirements of Paragraph III.C of these Bylaws and such other business as may properly come before the meeting may be transacted.

C. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Executive Board.

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D. Special Meetings.

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1. The President shall call a special meeting of the Association if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Owners entitled to cast at least twenty-five percent of the votes in the Association. The notice of any special meetings shall state the time, place, and purpose of the meeting. Such meeting shall be held within forty-five days after receipt by the President of the resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure pursuant to Paragraph V.H, below, such meetings shall be held within fifteen (15) days after receipt by the President of the resolution or Petition. No business shall be transacted at a special meeting except as stated in the notice.

2. Within sixty (60) days after conveyance of sixteen (16) Lots to Owners other than the Declarant, a special meeting of the Association shall be held at which two of the five members of the Executive Board designated by the Declarant shall resign (such resigning members to be selected by the Declarant), and the Owners, excluding the Declarant as an Owner, shall elect successor members of the Executive Board. Such successor members shall serve until the annual meeting of the Association following the meeting at which they were elected.

3. Within sixty (60) days after conveyance of forty-seven (47) Lots to Owners other than the Declarant, a special meeting of the Association shall be held at which all of the remaining members of the Executive Board designated by the Declarant shall resign and the Owners, including the Declarant if the Declarant owns one or more Lots, shall thereupon elect successor members of the Executive Board. The successor member receiving the highest number of votes shall serve until the third annual meeting of the Association following the date of the election and the successor member receiving the next highest number of votes shall serve until the second annual meeting of the Association following the date of the election; the other successor member shall serve until the first annual meeting following the date of the election.

4. If any of these special meetings could be held on the date an annual meeting of the Association is scheduled, then this meeting shall be held concurrently with the annual meeting.

E. Notice of Meetings. The Secretary shall give to each Owner a notice of each annual or regularly scheduled meeting of the Association at least twenty (20) but not more than sixty (60) days, and of each special meeting of the Owners at least ten (10) but not more than forty-five (45) days, prior to the meeting, stating the time, place, and purpose thereof. The giving of a notice of meeting in the manner provided by this paragraph and Paragraph IX.A of these Bylaws shall be considered service of notice.

F. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Owners entitled to cast a majority of the votes represented at the meeting may adjourn the meeting to a time not less than forty-eight (48) hours after the time for which the original meeting was called.

G. Voting.

1. Voting at all meetings of the Association shall be on the basis of one vote per Lot.

2. When the ownership of a Lot is in more than one person or entity, the person who shall be entitled to cast the vote of this Lot shall be the person named in a certificate executed by all of the owners of the Lot and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of the Lot shall be the person owning such Lot who is present. If more than one person owning such Lot is present, then the vote shall be cast only in accordance with their unanimous agreement pursuant to Section 5310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. The certificate shall be valid until revoked by a subsequent certificate similarly executed.

3. Subject to the requirements of the Act, whenever the approval or disapproval of an Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the votes of a majority of the Owners voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association.

4. If Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. Except as set forth in Paragraph II.D.2, if the Declarant owns or holds title to one or more Lots, the Declarant shall have the right at any meeting of the Association to cast all votes to which such Lot or Lots are entitled. No votes allocated to a Lot owned by the Association may be cast. There shall be no cumulative or class voting.

H. Proxies. A vote may be cast in person or by proxy. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. Such proxy may be granted by any Owner, a holder of a mortgage on a Lot, or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein, and must be filed with the Secretary at or before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of written notice of revocation from the grantor of the proxy. No proxy shall be valid for a period in excess of one year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

I. Quorum. The presence in person or proxy of ten percent (10%) or more of the Owners entitled to vote shall constitute a quorum at all meetings of the Association.

J. Conduct of Meetings. The President (or in his or her absence, the Vice President) shall preside over all meetings of the Association, and the Secretary shall keep minutes of the meeting and record in the minute book all resolutions adopted at the meeting as well as any other business transacted. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings

of the Association when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

ARTICLE III. - EXECUTIVE BOARD

A. Number and Qualification. The affairs of the Association shall be governed by the Board of Directors which shall be known as the Executive Board. The Executive Board shall be composed of five natural persons who are residents of Pennsylvania, at least twenty-one (21) years old, and Owners (or designees of the Declarant during the period of Declarant control).

B. Delegation of Powers and Managing Agent.

1. The Executive Board may employ a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration, these Bylaws, and the Rules and Regulations; provided, however, that if a Managing Agent shall not have the power to act under the Act, the Declaration, these Bylaws, or the Rules and Regulations such duties shall be performed as advisory to the Executive Board.

2. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration, these Bylaws, and the Rules and Regulations other than the following powers: To adopt the annual budget and any amendment thereto or to assess any Common Expenses. To adopt, repeal or amend Rules and Regulations. To designate signatories on Association bank accounts. To borrow money on behalf of the Association. To acquire and mortgage Lots. To designate Common Elements. To allocate Common Elements.

C. Election and Term of Office.

1. At the annual meetings of the Association, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected (except as set forth in Paragraphs II.D.2 and II.D.3 and III.E hereof) shall be fixed at three years and until a successor is chosen. A member of the Executive Board shall hold office until the earlier to occur of the election of his respective successor or his death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

2. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

a. Any Owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held a nominating petition signed by Owners owning at least seven Lots in the aggregate, together with a statement that the person nominated is willing to serve on the Executive Board and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the appropriate items to every Owner along with the notice of such meeting; and

b. Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board for which no more than one person has been nominated by petition.

D. Removal or Resignation of Members of the Executive Board.

1. Except with respect to members designated by Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created.

2. Any Owner proposing removal of a Board member shall give notice to the Secretary. Any member whose removal has been proposed by an Owner shall be given at least ten (10) days' notice by the Secretary of the time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

3. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Lot.

4. Declarant shall have the right to remove and replace any or all members appointed by Declarant at any time and from time to time until the required resignation date specified in the Declaration.

E. Vacancies.

1. Except as set forth in Paragraphs III.D and III.E.2, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

2. During the Declarant Control Period, any vacancy created by the death, adjudication of incompetency, removal, or resignation of a member of the Executive Board elected by only the Owners other than the Declarant shall be filled by the vote of Owners other than the Declarant. Except in the case of vacancy by removal and simultaneous replacement election pursuant to Paragraph III.D, the vote to fill a vacancy shall be conducted at a special meeting of the Association to be held for such purpose within twenty (20) days after the occurrence of such vacancy. The Secretary shall give each Owner at least ten (10) days prior notice of this special meeting, stating the time, place, and purpose thereof. Any person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced.

F. Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the President (even if he is the outgoing President) at the meeting at which such Executive

Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

G. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by the Executive Committee, but such meetings shall be held at least once every six months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member by mail at least three business days prior to the day named for such meeting.

H. Special Meetings. Special meetings of the Executive Board may be called by the President or by two Directors on at least three business days' notice to each member given by mail or in person. The notice shall state the time, place, and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Executive Board.

I. Waiver of Notice. Any member may at any time, in writing, waive notice of any meeting of the Executive Board and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Executive Board shall constitute a waiver of notice by him or her of the time, place, and purpose of such meeting.

J. Quorum of the Executive Board. At all meetings of the Executive Board, the presence of three of the members shall constitute a quorum for the transaction of business. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment, if all persons participating in the meeting can hear each other.

K. Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any reasonable expenses incurred in the performance of his duties.

L. Conduct of Meetings. The President shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording all resolutions adopted by the Executive Board and all transactions and proceedings occurring at such meetings.

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

N. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one or more of the Executive Board members are directors or officers or are financially interested, shall be void or voidable because such Executive Board member(s) are present at any meeting at which the Executive Board authorized or approved the contract or transaction, or because his or her or their votes are counted, if (1) the fact that an Executive Board member is also such a director or officer or has such financial interest is

disclosed or known to the Executive Board and is noted in the minutes, and the Executive Board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or (2) the contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved, or ratified.

O. Inclusion of Interested Executive Board Members in the Quorum. Any Executive Board member holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Executive Board or a committee thereof which authorizes, approves, or ratifies a contract or transaction of the type described in Paragraph III.N.

P. Limitation on Personal Liability. No member of the Executive Board shall be personally liable as such for monetary damages for any action taken, or any failure to take action, unless the member has breached or failed to perform the duties of office under Subchapter 57B (relating to standard of care and justifiable reliance) of the Pennsylvania Nonprofit Corporations Law; and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

ARTICLE IV. - OFFICERS

A. Designation. The officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be members of the Executive Board. An officer other than the President may hold more than one office.

B. Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

C. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for this purpose.

D. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of Pennsylvania including, without limitation, the power to appoint committees from among the Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall cease holding this office when he or she ceases to be a member of the Executive Board.

E. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform any other duties as shall from time to time be delegated or assigned by the Executive Board or by the President. The Vice President shall cease holding this office when he or she ceases to be a member of the Executive Board.

F. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Owners and holders of mortgages on any Lots shall be delivered and, in general, perform all the duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon request, provide or cause to be provided to any person entitled thereto a written statement or certification of the information required to be provided by the Association pursuant to the Act. To the extent permitted by the Act, the Secretary may impose a reasonable charge for the preparation of any such statement or certification and the reproduction of such documents in order to cover the cost of the preparation and reproduction.

G. Treasurer. The Treasurer shall have the responsibility for safekeeping Association funds and securities; keeping full and accurate financial records and books of account showing all receipts and disbursements; preparing all required financial data; depositing all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board; and performing other duties as determined by resolutions or orders of the Executive Board.

H. Execution of Documents. All agreements, contracts, deeds, leases, checks, and other instruments of the Association for expenditures or obligations in excess of Two Thousand Five Hundred Dollars (\$2,500.00) shall be executed by two officers of the Association. All such instruments for expenditures or obligations of Two Thousand Five Hundred Dollars (\$2,500.00) or less may be executed by any one designated officer or Agent of the Association.

I. Compensation of Officers. No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as an officer, but may be reimbursed for any out-of-pocket expenses incurred in performing duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines the compensation to be appropriate.

ARTICLE V. - COMMON EXPENSES AND BUDGETS

A. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration and shall end at the end of the calendar year during which the Declaration was recorded.

B. Preparation and Approval of Budget.

1. On or before the 1st day of November of each year, the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the Common Elements and the cost of Common Expenses. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide a reserve.

2. On or before the second regular business day of November the Executive Board shall make the budget available for inspection at the Association office and within three

business days of such adoption shall send to each Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Owner's assessments for Common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Paragraph V.H, below.

3. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with these deadlines shall not be a condition precedent to the effectiveness of any budget.

C. Assessment and Payment of Common Expenses.

1. The Executive Board shall calculate the monthly assessments for Common Expenses against each Lot. Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments. They shall be due and payable quarterly or as otherwise determined by the Executive Board, and shall be a lien against each Owner's Lot as provided in the Act and the Declaration.

Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Owner and to each record holder of a mortgage on a Lot who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Owners and shall be payable in one or more monthly assessments, as the Executive Board may determine.

2. Reserves: The Executive Board shall build up and maintain reasonable reserves for periodic maintenance and repair. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. The reserves fund shall generally be equal to or greater than the equivalent of two months assessments for all Lots. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Owner's assessments, the Executive Board may at any time levy further assessments for Common Expenses.

D. Further Assessments. The Executive Board shall serve notice on all Owners of any further assessments pursuant to Paragraph V.C or otherwise as permitted or required by the Act, the Declaration, and these Bylaws by a statement in writing giving the amount and reasons, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in Paragraphs V.C.1 and V.C.2.

E. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year. Assessments shall be levied and become a lien against the Owners during such period as provided in Paragraph V.C.

F. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay the allocable share of the Common Expenses and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget is adopted.

G. Accounts and Audits. All sums collected by the Executive Board with respect to assessments against the Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with generally accepted accounting practices, and shall be audited at least annually by an independent accountant retained by the Executive Board.

H. Rejection of Budget; Limitations on Expenditures. The Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board. The power of the Executive Board to expend funds, incur expenses, or borrow money on behalf of the Association is subject to the requirement that the consent of Owners entitled to cast at least two-thirds of the votes in the Association obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to (a) expend funds or incur expenses that it is reasonably anticipated will cause the aggregate amount of all expenses in the budget (including reserves) to be exceeded by more than 20 percent of such aggregate amount after taking into account any projected increases in income, and (b) to borrow money so that loans of the Association then outstanding would exceed 20 percent of such aggregate amount.

I. Payment of Common Expenses. Each Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article V. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Lot. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Lot subsequent to the date of recordation of a conveyance by the Owner in fee of such Lot.

1. The purchaser of a Lot shall be jointly and severally liable with the selling Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Owner within five days following a written request to the Executive Board or Managing Agent. Such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments in excess of the amount set forth.

2. Subject to Section 5315 of the Act, each record holder of a mortgage on a Lot who comes into possession of a Lot by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid assessments or charges against such Lot which accrue prior to the time such holder into possession, except for claims for a pro rata share of such assessments or charges from a pro rata reallocation of such assessments or charges to all Lots including the Lot.

J. Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Owner which remain unpaid for more than thirty (30) days from the due date. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of five percent (5%) of the overdue assessment in addition to interest at the rate of fifteen percent (15%) per annum or such other rate as may be determined by the Executive Board.

K. Statement of Common Expenses. Upon written request, the Executive Board shall promptly provide any Owner, contract purchaser, or proposed mortgagee with a written statement of all unpaid assessments for Common Expenses and Limited Expenses due from each Owner as required by the Act, or the certificate and documents required by the Act. To the extent permitted by the Act, the Executive Board may impose a reasonable charge to cover the cost of the preparation and reproduction.

ARTICLE VI. - COMPLIANCE AND DEFAULT

A. Relief. Each Owner shall be governed by, and shall comply with all of the terms of the Declaration, these Bylaws, the Rules and Regulations, and the Act, as amended. In addition to the remedies provided in the Act and the Declaration, a default by an Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:

1. Additional Liability: Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

2. Costs and Attorney's Fees: In any proceedings arising out of any alleged default by an Owner, the Association, if the prevailing party, shall be entitled to recover the costs of the proceeding and reasonable attorney's fees as may be determined by the court.

3. No Waiver of Rights: The failure of the Association, the Executive Board, or an Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Rules and Regulations, or the Act shall not constitute a waiver of the right of the Association, the Executive Board, or the Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies, and privileges granted to the Association, the Executive Board, or any Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations, or the Act shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations, or the Act, or at law or in equity.

4. Abating and Enjoining Violations by Owners: The breach or violation of any of the Rules and Regulations, Bylaws, the Declaration, or the Act shall give the Executive Board

the right, in addition to any other rights: (1) to enter the Lot in which, or as to which, such violation or breach exists and summarily to abate and remove at the expense of the defaulting Owner, any structure, thing or condition constituting such breach or violation, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach or violation.

ARTICLE VII. - NOTICE OF VIOLATIONS AND IMPOSITION OF PENALTIES

A. Violations. The Executive Board may impose the penalties set forth below for any violation of the Declaration, Bylaws, or Rules and Regulations.

B. Notice. Notice that an Owner is in violation of the Declaration, Bylaws, or Rules and Regulations shall be given in writing by the Executive Board or Managing Agent to the Owner. A Lot shall be held to be in violation of the Declaration, Bylaws, or Rules and Regulations if such is violated by that Lot's Owner, Lessee, or Owner's or Lessee's agents, employees, servants, licensees, or visitors. Such warning shall give that Owner ten (10) days to bring the Lot into compliance and to pay any costs required by the Bylaws or Rules and Regulations and as set forth in the Notice. The Notice shall set forth the specific paragraph(s) violated. Posting on the Lot door or delivery by certified mail to the Owner shall be adequate service of the notice.

C. Correction Timetable. If the Owner believes the violation cannot, in the exercise of due diligence, be corrected within the time allotted, the Owner may immediately submit to the Executive Board a written plan of correction and proposed timetable. If the Executive Board approves the plan, no penalty shall attach if Owner complies with the plan.

D. Notice of Penalty. If the violation is not corrected within the time stated in the notice or in accordance with Owner's written and approved plan of correction, the Executive Board or Managing Agent may impose and assess penalties as provided herein. Notice of penalties shall be given in writing in the same manner as the initial notice of violation.

E. Hearing. If, within five days of delivery of notice of a penalty assessment, the Owner submits a written request for a hearing, the Executive Board or Managing Agent shall schedule a hearing before a Hearing Committee not later than ten (10) days thereafter. At the hearing, the Managing Agent, Executive Board or any other Owner or Lessee must present evidence. The Owner and every Lessee of the Lot which is in violation shall have the opportunity to present evidence. At the conclusion of the hearing, the Hearing Committee, by majority vote, may find the Owner guilty of violating the specific paragraph(s) set forth in the Notice and impose any of the appropriate penalties set forth below, or may find the Owner not guilty of the violation.

F. Hearing Committee. Any hearing convened pursuant to this Article shall be held before a Hearing Committee comprised of three persons, each of whom is an Owner or principal of an Owner. No committee member shall be a member of the Executive Board. The Executive Board shall appoint one member, the Owner requesting the hearing shall appoint a second member, and the two members so appointed shall select the third Hearing Committee member.

G. Penalties. For the purposes of this paragraph only, "violation" shall mean a violation found by the Executive Board or Managing Agent or, after hearing, by a Hearing Committee.

The following schedule of fines shall apply with the amount stated being the maximum fine that may be imposed. Each successive day a violation continues (and is subject to a penalty assessment) shall, for purposes of this clause, constitute a new violation.

1. First and second violations \$100.00
2. Third through fifth violations \$300.00
3. Sixth and subsequent violations \$500.00

H. Penalties Not Exclusive Remedy. The Executive Board may by Rules and Regulations provide for the abatement of violations or nuisances and for recoupment of costs related thereto.

ARTICLE VIII. - AMENDMENTS

A. Amendments to Bylaws. These Bylaws may be modified or amended only by vote of Owners entitled to cast a majority of the votes in the Association, except as otherwise expressly set forth herein or in the Act. However, until the date on which all Declarant-appointed Board members voluntarily resign or are required to resign, these Bylaws may not be amended without the consent in writing of Declarant.

Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these Bylaws that is defective, missing, or inconsistent with any other provision hereof, or with the Act or the Declaration, then at any time the Executive Board may effect an appropriate corrective amendment without the approval of the Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

B. Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

ARTICLE IX. - MISCELLANEOUS

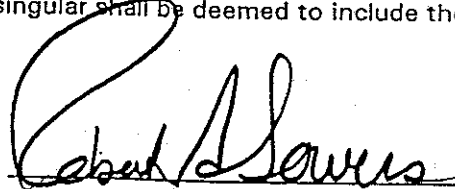
A. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, or first class postage prepaid (or otherwise as the Act may permit), (a) if to an Owner, at the single address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner, or (b) if to the Association, the Executive Board or the Managing Agent at the principal office of the Managing Agent or at such address as shall be designated by notice in writing to the Owners pursuant to this Section. If a Lot is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

B. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

C. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Dated: _____

9/15/00



_____, Secretary