

**BYLAWS
OF
THE CLIFFS AT IRON VALLEY
HOMEOWNERS ASSOCIATION**

I.

INTRODUCTORY PROVISIONS

Applicability. These Bylaws provide for the governance of the non-profit corporation known as The Cliffs at Iron Valley Homeowners Association (“corporation” or “Association”) pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act (“Act”) with respect to the Planned Community, known as The Cliffs at Iron Valley, a Planned Community, created by the recording of the Declaration of Covenants and Restrictions of The Cliffs at Iron Valley, A Planned Community, among the land records of Lebanon County, Pennsylvania (the “Declaration”).

Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

Compliance. Pursuant to the provisions of the Act, every Unit Owner and all persons entitled to occupy a Unit shall comply with these Bylaws.

Office. The initial registered office of the corporation shall be 118 Springwood Drive, Suite 300 Lebanon, PA 17042. Otherwise, the office of the Planned Community, the corporation, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

Incorporation of Statutory Law. The corporation shall be a non-profit corporation pursuant to the laws of the Commonwealth of Pennsylvania. The “Board of Directors” described therein shall be referred to herein and in the Declaration as the “Executive Board.”

II.

THE ASSOCIATION FOR THE PLANNED COMMUNITY

Composition. The corporation which serves as the Association for the Planned Community is hereby organized on the date hereof as a non-profit corporation. The Association shall have members consisting of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these Bylaws. The corporation shall have the responsibility of administering the Planned Community, establishing the means and methods of collecting assessments and charges, arranging for the management of the Planned Community and performing all of the other acts that may be required or permitted to be performed by the corporation pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these Bylaws. A person shall automatically become a member of the Association at the time he acquires legal title to his Unit,

and he shall continue to be a member so long as he continues to hold title to such Unit. A person shall automatically cease being a member at such time as he no longer holds legal title to his Unit. A Unit Owner shall not be permitted to resign from membership in the Association prior to the time at which he transfers title to his Unit to another. No membership may be transferred in any way except as an appurtenance to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall be presented to the Secretary of the Executive Board. The date of recordation of an instrument of conveyance in the Office of the Lebanon County Recorder of Deeds shall be determinative of all disputes concerning the date of transfer of title to any Unit.

Annual Meetings. The annual meetings of the corporation shall be held on the third Thursday of September of each year, or annually at such other date established by the Executive Board from time-to-time, unless such date shall occur on a holiday, in which event the meetings shall be held on the succeeding Monday. At such annual meetings the Executive Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.3 of these Bylaws and such other business as may properly come before the meeting may be transacted.

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

Special Meetings.

II.1.1. The President shall call a special meeting of the corporation if so directed by resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least twenty-five percent of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. Such meeting shall be held within forty-five (45) days after receipt by the President of such resolution or petition; provided, however, if the purpose includes the consideration of the rejection of a budget or capital expenditure pursuant to Section 5.8 below, such meeting shall be held within fifteen (15) days after receipt by the President of such resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

II.1.2. Within sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which at least one (1) member and not less than twenty-five (25%) percent of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units which may be created to Unit Owners other than the Declarant, not less than

thirty-three (33%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

II.1.3. Not later than the termination of any period of Declarant control, as set forth in Article XII of the Declaration, the Unit Owners shall elect an Executive Board of at least three (3) members, all of whom shall be Unit Owners. Such successor members shall serve until the annual meeting of the corporation following the meeting at which they were elected. The successor member receiving the highest number of votes shall serve until the third annual meeting of the Association following the meeting at which he or she was elected. The successor member receiving the next highest number of votes shall serve until the second annual meeting of the Association following the meeting at which he or she was elected. The remaining successor member shall serve until the next annual meeting of the association following the meeting at which he or she was elected. The purpose of this format is to establish staggered terms so that there are always experienced members on the Executive Board.

II.1.4. Notwithstanding the foregoing, if any meeting required pursuant to Sections 2.4.1, 2.4.2, and 2.4.3 above could be held on the date an annual meeting of the corporation is scheduled, then such meeting(s) shall be held concurrently with such annual meeting.

Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual or regularly-scheduled meeting of the corporation at least ten (10) but not more than sixty (60) days, and of each special meeting of the Unit Owners at least ten (10) but not more than forty-five (45) days, prior to such meeting, stating the time, place and purpose thereof, including, without limitation, any proposed budget or assessment changes, the general nature of any proposed amendment to the Bylaws or Declaration, and any proposal to remove an Executive Board member or officer. The giving of a notice of meeting in the manner provided in this Section and Section 9.1 of these Bylaws shall be considered service of notice.

Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such 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.

Voting. Voting at all meetings of the Association shall be based on the vote to which each Unit is entitled, as set forth in the Declaration. If the Unit Owner 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 natural person named in a certificate executed by such entity pursuant to its governing documents. If the Unit Owner is a trust, the trustee or trustees shall be deemed to be the owner for voting purposes. Where the ownership of a Unit is in more than one (1) person, the person who shall be entitled to cast the vote of such Unit shall be the natural person named in a certificate executed by all of the Unit Owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the natural person who shall be entitled to cast the vote of such Unit shall be the natural person owning such Unit

who is present. If more than one (1) of the multiple Unit Owners is present, then such 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 Unit Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Unit Owners of such Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the natural person who would be entitled to cast the vote of such Unit 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 Unit Owners of more than fifty (50%) percent of the aggregate Allocated Interests in the Community voting in person or by proxy at one (1) time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the corporation. Any specified percentage of the Unit Owners means the Unit Owners owning such Allocated Interests in the aggregate. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owner as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected. Except as set forth in Section 2.4.2, if the Declarant owns or holds title to one (1) or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

Proxies; Electronic Ballots. A vote may be cast in person or by proxy or via Electronic Ballot (as hereinafter defined). If a Unit is owned by more than one (1) person, each Unit Owner may vote or register protest to the casting of votes by the other Unit Owners through a duly executed proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a holder of a mortgage on a Unit 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 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(s) of the proxy or if the Unit Owner (grantor of the proxy) attends the meeting to vote in person. No proxy shall be valid for a period in excess of one (1) year after the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

An Electronic Ballot may (a) be counted as a Unit Owner present in person and voting for the purpose of establishing a quorum, and otherwise, only for agenda items appearing on the ballot or (b) not be counted even if properly delivered, if the Unit Owner attends the meeting to vote in person. A vote cast at a meeting by a Unit Owner supersedes a vote submitted by proxy or Electronic Ballot previously submitted for that agenda item.

For the purposes of these Bylaws, the term "Electronic Ballot" means a ballot cast or given by electronic transmission over the internet, vote management system or the

Association's community network, whether by direct connection, intranet, telecopier, electronic mail or other technological means, if the identity of the Unit Owner submitting the ballot can be confirmed and a receipt of the electronic transmission and ballot can be made available to the Unit Owner.

Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of twenty-five (25%) percent or more of the aggregate Allocated Interests at the commencement of all meetings shall constitute a quorum at all meetings of the Association. If a meeting is adjourned pursuant to Section 2.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if Unit Owners entitled to cast ten (10%) percent or more of the aggregate Allocated Interests are present in person or by proxy at the beginning of the meeting.

Conduct of Meetings. The President (or in the President's absence, an officer appointed by the President) shall preside over all meetings of the corporation, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the corporation. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the corporation when not in conflict with the Declaration, these Bylaws or the Act. All votes shall be tallied by tellers appointed by the President.

Section 2.11 Special Session. In the event that there are more candidates for election to the Executive Board than open positions on the Executive Board, then, upon request of one or more of the candidates delivered to the then-current President, the Association shall hold a special session at least seven (7) days before the election to allow the Unit Owners to meet each candidate for an Executive Board position. Each candidate for an Executive Board position shall have equal time to address the Unit Owners during a special session under this Section. The time, date, and location of the special session shall be determined by the then-current Executive Board, with notice to the Unit Owners as required by these Bylaws. The special session may be held electronically pursuant to these Bylaws and the Act. Candidates requesting a special session must deliver written notice of this request to the President at least thirty (30) days prior to the scheduled meeting at which the election will be held. Written notice under this Section may be given via mail or electronic mail.

III.

EXECUTIVE BOARD

Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of at least three (3) natural persons, all of whom shall be Unit Owners or designees of the Declarant.

Delegation of Powers; Managing Agent. The Executive Board may employ for the Planned Community 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 and these Bylaws; provided, however, where a Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

III.1.1. to adopt the annual budget and any amendment thereto or to assess any Common Expenses;

III.1.2. to adopt, repeal or amend Rules and Regulations, as well as any Chart of Maintenance Responsibilities or Submission form attached thereto;

III.1.3. to designate signatories on corporate bank accounts;

III.1.4. to borrow money on behalf of the corporation;

III.1.5. to acquire, convey, and mortgage Units or Common Elements;

III.1.6. to grant easements, leases, licenses, and concessions over the Common Elements without the express approval of the Executive Board of such action.

Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one (1) year.

Election and Term of Office.

III.1.7. At the annual meeting of the corporation, 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 Sections 2.4.2 and 2.4.3 and Section 3.5 hereof) shall be fixed at three (3) years. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetency, removal, or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself or herself.

III.1.8. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

(a) Any Unit 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 Unit Owners owning at least ten (10) Units 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 submitted items to every Unit 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 (1) person has been nominated by petition.

Removal or Resignation of Members of the Executive Board. Except with respect to members designated by the Declarant, at any regular or special meeting of the corporation duly called, any one (1) or more of the members of the Executive Board may be removed with or without cause by Unit 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. Any Unit Owner proposing removal of a Board member shall give notice thereof to the Secretary. Any member whose removal has been proposed by a Unit 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. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit. The Declarant shall have the right to remove and replace any or all members appointed by the Declarant in accordance with the Act.

Vacancies. Except as set forth in Section 3.4 above with respect to members appointed by the Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of Unit 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 and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor.

Organization Meeting. The first meeting of the Executive Board following each annual meeting of the corporation 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.

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 a majority of the members, but such meetings shall be held at least four (4) times during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telecopy, at least three (3) business days prior to the day named for such meeting.

Special Meetings. Special meetings of the Executive Board may be called by the President on at least three (3) business days' notice to each member, given by mail or telecopy, e-mail, or other electronic communication, which 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 (2) members of the Executive Board.

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 of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

Quorum of the Executive Board. A quorum is deemed present throughout any meeting of the Executive Board if persons entitled to cast fifty (50%) percent of the votes on the Board are present at the beginning of the meeting. 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. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. One (1) 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 by means of which all persons participating in the meeting can hear each other.

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

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 therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

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 individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the corporation and one (1) or more of its Executive Board members or between the corporation and any corporation, firm or association in which one (1) 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 or members are present at any meeting of the

Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

III.1.9. 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 thereof, 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

III.1.10. The contract or transaction is made in good faith and is not unconscionable to the corporation at the time it is authorized, approved or ratified.

Inclusion of Interested 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 Section 3.14 hereof.

Section 3.16 Powers of Executive Board. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws, or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and the Community which shall include, but not be limited to, the following:

3.16.1 Adopt and amend Bylaws and/or Rules and Regulations;

3.16.2 Adopt and amend budgets for revenues, expenditures and reserves;

3.16.3 Collect assessments for Common Expenses from Unit Owners;

3.16.4 Hire and discharge Managing Agents and other agents;

3.16.5 Hire and discharge employees and independent contractors;

3.16.6 Institute, defend or intervene in litigation or administrative proceedings, or engage in arbitrations or mediations, in the Association's name on behalf of the Association or two or more Unit Owners on matters affecting the Community;

3.16.7 Make contracts and incur liabilities;

3.16.8 Regulate the use, maintenance, repair, replacement and modification of the Common Elements and make reasonable accommodations or permit reasonable modifications to be made to Units, the Common Facilities, the Controlled Facilities or the Common Elements, to accommodate people with disabilities (as defined by prevailing Federal, State or local statute, regulations, code or ordinance) Unit Owners, residents, tenants or employees;

3.16.9 Cause additional improvements to be made as a part of the Common Elements;

3.16.10 Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, except that Common Facilities may be conveyed or subjected to a Security Interest only pursuant to the provisions of Section 5318 of the Act;

3.16.11 Grant easements, leases, licenses and concessions through or over the Common Facilities and, only to the extent permitted by the Declaration, the Controlled Facilities;

3.16.12 Impose and receive payments, fees or charges for the use, rental or operation of the Common Elements, and for services provided to Unit Owners;

3.16.13 Impose charges or interest or both for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of the Community Documents;

3.16.14 Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates or statements of unpaid assessments, impose a Capital Improvement Fee upon the resale of a Unit; provided that any such fee shall be imposed in accordance with Section 5302(a)(12) of the Act;

3.16.15 Provide for the indemnification of the Association's officers and Executive Board and maintain directors' and officers' liability insurance;

3.16.16 Maintain property and liability insurance in connection with the Community in accordance with the provisions of the Declaration and Section 5312 of the Act;

3.16.17 Effectuate any merger of the Community and the Association with any one or more planned communities and its/their association(s), subject nonetheless to Section 19.3 of the Declaration;

3.16.18 Assign the Association's right to future income, including the right to receive Common Expense assessments; provided however, that reserve funds held for future major repairs and replacements of the Common Elements may not be assigned or pledged;

3.16.19 Invest the Association's reserve funds in investments permissible by law for the investment of trust funds, in accordance with the Prudent Investor Rule (20 Pa.C.S. § 7203);

3.16.20 Exercise any other powers conferred by the Act, Declaration or Bylaws;

3.16.21 Exercise all other powers that may be exercised in the Commonwealth of Pennsylvania by legal entities of the same type as the Association;

3.16.22 Exercise any other powers necessary and proper for the governance and operation of the Association;

3.16.23 By resolution, establish committees of the Executive Board, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within thirty (30) days of publication of such notice and such committee action must be ratified, modified, or rejected by the Executive Board at its next regular or special meeting; and

3.16.24 For any period during which assessments are delinquent or violations of the Declaration, Bylaws, or Rules and Regulations remain uncured, suspend the applicable Unit Owner's rights, including, without limitation, the right to vote, the right to serve on the Executive Board or any committee of the Association, and the right to access and use some or all of the Common Elements. Notwithstanding the foregoing, the Executive Board shall not have the right to suspend use of Limited Common Elements appurtenant to the Unit Owner's Unit and any other Common Elements that are necessary for access to or the use of the Unit or necessary for the health and safety of the applicable Unit Owner.

IV.

OFFICERS

Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint a vice president, an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President (if any) shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board.

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

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 such purpose.

President. The President shall be the chief executive officer of the corporation, preside at all meetings of the corporation and of the Executive Board and have all of the general

powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit 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 corporation. The President shall cease holding such office at such time as the President ceases to be a member of the Executive Board.

Vice President. The members of the Executive Board may from time-to-time appoint a 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 such other duties as shall from time to time be delegated or assigned to the Vice President by the Executive Board or by the President. The Vice President shall cease holding such office at such time as the Vice President ceases to be a member of the Executive Board.

Secretary. The Secretary shall keep the minutes of all meetings of the corporation 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 Unit Owners and holders of mortgages on any Units hereunder 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 any person, or cause to be provided to any person entitled thereto a written statement or certification of the information required to be provided by the corporation pursuant to Sections 5315(h), 5407(a) and 5407(b) of the Act and Section 5.6 and Section 5.11 below. The Secretary shall also be responsible for maintaining any information obtained or maintained by the Association pursuant to any Rules and Regulations or Policies and Procedures enacted by the Association from time to time.

Treasurer. The Treasurer shall have the responsibility for the safekeeping of corporate funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data and be responsible for the deposit of all monies in the name of the Executive Board, the corporation or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania.

Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the corporation for expenditures or obligations in excess of Five Thousand Dollars (\$5,000) shall be executed by any two (2) officers of the corporation. All such instruments for expenditures or obligations of Five Thousand Dollars (\$5,000) or less may be executed by any one (1) officer of the corporation.

Compensation of Officers. No officer who is also a member of the Executive Board shall receive any compensation from the corporation for acting as such officer, but may be

reimbursed for any out-of-pocket expenses incurred in performing such officer's duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

Section 4.10 Resale Certificates and Statements of Unpaid Assessments. The Treasurer, Assistant Treasurer, Secretary, or a Managing Agent employed by the Association (or, in their absence, any officer having access to the books and records of the Association), may prepare, certify, and execute resale certificates in accordance with Section 5407 of the Act and statements of unpaid assessments in accordance with Section 5315 of the Act. The Association may charge the Unit Owner requesting such certificate or statement a reasonable fee for preparing a resale certificate and/or statement of unpaid assessments.

V.

COMMON EXPENSES; BUDGETS

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.

Preparation and Approval of Budget. The budget shall be prepared and adopted in accordance with Section 11.5 of the Declaration.

Assessment and Payment of Common Expenses.

V.1.1. General Common Expenses. The Executive Board shall calculate the annual assessment for General Common Expenses, as defined in the Declaration, against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from sources other than General Common Expense assessments by (b) the Allocated Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year and multiplying the resultant product by (d) three (3) (if assessments are to be made on a quarterly basis only). Limited Common Expenses shall be calculated in accordance with Section 11.3 of the Declaration. The budget shall segregate the General Common Expenses from the Limited Common Expenses. Such Common Expense assessments shall be deemed to have been adopted and assessed monthly on a calendar year basis and shall be due and payable on the first (1st) day of each month, or on the first (1st) day of January, April, June and October of each year (for quarterly assessments) or as otherwise determined by the Executive Board or set forth in the Rules and Regulations, and shall be a lien against each Unit Owner's Unit 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 Unit Owner and to each record holder of a mortgage on a Unit 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 General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Allocated Interests or share of Limited Common Expenses pursuant to the Declaration, as applicable, and shall be payable in one (1) or more monthly assessments, as the Executive Board may determine.

V.1.2. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for General Common Expenses which shall be assessed against the Unit Owners according to their respective Allocated Interests or share of Limited Common Expenses pursuant to the Declaration, as applicable, and shall be payable in one (1) or more monthly assessments as the Executive Board may determine.

Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 5.3.1, 5.3.2 or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next annual assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections 5.3.1 and 5.3.2.

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 during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 5.3 above.

Delivery of Approved Budget and Notice of Capital Expenditure; Effect of Failure to Prepare or Adopt Budget. The Executive Board shall deliver to all Unit Owners copies of each budget approved by the Executive Board and notice of any capital expenditure approved by the Executive Board promptly after each such approval. 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 a Unit Owner's obligation to pay such Unit Owner's allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Accounts; Audits. All sums collected by the Executive Board with respect to assessments against the Unit 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 good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board.

Rejection of Budget. Any meetings of Unit Owners to consider proposed budgets shall be called in accordance with Sections 11.5 and 11.6 of the Declaration. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article V and the Declaration. No Unit Owner may exempt himself, herself, or itself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements, or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit 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 for the purchaser's right to recover from the selling Unit 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 Unit Owner within five (5) days following a written request therefor to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments with respect to the time period covered by such statement, in excess of the amount therein set forth; and, provided further that, subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

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 Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of five (5%) percent of the overdue assessment in addition to interest at the rate of fifteen (15%) percent per annum or such other rate as may be determined by the Executive Board, and shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against such Unit pursuant to the Act.

Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation, to the extent permitted by the Act.

VI.

COMPLIANCE AND DEFAULT

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

VI.1.1. Additional Liability. Each Unit 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 Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

VI.1.2. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

VI.1.3. No Waiver of Rights. The failure of the corporation, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the corporation, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the corporation, the Executive Board or any Unit 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 (1) 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.

VI.1.4. Abating and Enjoining Violations. The violation of any of the Board Rules and Regulations adopted by the Executive Board, the breach of any provisions of these Bylaws, or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit or applicable portion of the Community in which, or as to which, such violation or breach

exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

VI.1.5. Fines. In addition to any right the Executive Board has pursuant to the Act and other provisions stated herein, the Executive Board may set a reasonable fine of \$25.00 per day for any violation of any of the matters set forth above and other reasonable Rules and Regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. The Executive Board may also specify certain warnings and graded fines with respect to violations of the Rules and Regulations as more particularly set forth therein. Except as may otherwise be specified in the Rules and Regulations, before any fine may be imposed, the Unit Owner shall be given Notice and Hearing. Notice of such hearing, including the charges that may be imposed, shall be given to the Member, at least five (5) days in advance thereof in accordance with the provisions related to "Notice and Hearing" in Section 18.2 of the Declaration. The aforementioned fine shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner. The fine shall be a lien on the Unit Owner's Unit.

VI.1.6. Suspension of Voting Rights. The voting rights of a Unit Owner shall be suspended for any violation of any of the matters set forth above and other reasonable Rules and Regulations promulgated by the Executive Board, if not cured within a reasonable period of time as set forth in the notice to a Unit Owner which notice clearly sets forth the violation and the time for corrective action to be taken by the Unit Owner. Before any fine may be imposed, the Unit Owner shall be given an opportunity for Notice and Hearing. Notice of such hearing, including the suspension of voting rights, shall be given to the Unit Owner at least five (5) days in advance thereof in accordance with the provisions related to "Notice and Hearing" in Section 18.2 of the Declaration. The suspension of voting rights shall commence at the expiration of the time period for corrective action and continue until such corrective action has been taken by the Unit Owner.

VII.

AMENDMENTS

Amendments to Bylaws. These Bylaws may be modified or amended only in accordance with Section 17.1 of the Declaration; provided, however, that until the date on which all Declarant-appointed Executive Board members voluntarily resign or are required to resign pursuant to Article XII of the Declaration, Section 2.4 and Section 3.4 of the Bylaws, and such other provisions of the Bylaws which relate to the Declarant's control of the Association as permitted by the Act, may not be amended without the consent in writing of the 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, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Fair Housing Acts, or the Federal Home Loan Mortgage Corporation with respect to planned community projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit 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 independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

Amendments to the Declaration. Amendments to the Declaration that are required by the Act to be recorded by the Association, and which have been adopted in accordance with the provisions of the Declaration and the Act, shall be prepared, executed, certified and recorded on behalf of the Association by any officer of the Association designated by the Executive Board for that purpose or, in the absence of such designation, by the President of the Association.

VIII.

DISPUTE RESOLUTION

Alternative Dispute Resolution. In addition to the other methods contemplated by the Act, the Declaration, or these Bylaws, two or more Unit Owners or a Unit Owner and the Association may resolve any dispute between or among them concerning or arising under the Act, the Declaration, the Rules and Regulations or these Bylaws, where all parties, including the Association in all instances, mutually agree to settle such dispute by arbitration or mediation. Nothing in this Section shall be construed to affect or impair the right of a Unit Owner, the Declarant or the Association to pursue a private cause of action or seek other relief. Any alternative dispute resolution, including, arbitration and mediation, shall be limited to disputes where all parties, including the Association, agree to such alternative dispute resolution. Further, nothing in this Section 8.1 shall limit the Association's rights to collect any amounts owing by a Unit Owner pursuant to the Act, the Declaration or these Bylaws (collectively the "Collection Proceedings"), and the Association shall be deemed not to consent to having any such Collection Proceedings submitted to arbitration or mediation unless the Executive Board consents to such arbitration or mediation in writing.

Mediation. If the Executive Board or a Unit Owner wishes to use mediation to settle a dispute as provided in Section 8.1 above, then the disputing party should first give written notice to the other party(s), including the Association, of its desire to use mediation, including a detailed description of the dispute and the name(s) of mediators the disputing party is willing to agree to as mediator. If the Executive Board or Unit Owner receives a request to use mediation to resolve a dispute, such responding party shall respond to such request in writing within seven (7) business days of receiving the request for mediation. If the Association does not respond within such seven (7) business day period to a request for mediation concerning a Collection Proceeding, it is deemed to not agree to use mediation with respect to such Collection

Proceeding. If a Unit Owner or the Association (for the Association, with respect to all matters other than Collection Proceedings) does not respond within such seven (7) business day period, it is deemed to agree to use mediation. Within fourteen (14) days of receiving the request for mediation, the responding party shall send to the disputing party a written notice outlining its description of the dispute and the name(s) of the mediators the responding party is willing to agree to as mediator. If the parties are unable to agree on the name of a mediator, the parties agree to jointly submit a request for appoint of a mediator to an independent third party for selection. The parties shall each bear their own attorney's fees related to such mediation and shall equally share the costs and fees associated with the mediator and the mediation process, unless otherwise agreed by the parties before or as part of the mediation settlement.

Arbitration. If the Executive Board or a Unit Owner wishes to use arbitration to settle a dispute as provided in Section 8.1 above, then the disputing party should first give written notice to the other party(ies), including the Association, of its desire to use arbitration, including a detailed description of the dispute, a list of the remedies its seeks in arbitration, and the name(s) of arbitrators the disputing party is willing to agree to as arbitrator. If the Executive Board or Unit Owner receives a request to use arbitration to resolve a dispute, such responding party shall respond to such request within seven (7) business days of receiving the request for arbitration. If the Association does not respond within such seven (7) business day period to a request for arbitration concerning a Collection Proceeding, it is deemed to not agree to use arbitration with respect to such Collection Proceeding. If a Unit Owner or the Association (for the Association, with respect to all matters other than Collection Proceedings) does not respond within such seven (7) business day period, it is deemed to agree to use arbitration. Within fourteen (14) days of receiving the request for mediation, the responding party shall send to the disputing party a written notice outlining its description of the dispute, the list of remedies its seeks in arbitration, and the name(s) of the arbitrators the responding party is willing to agree to. If the parties are unable to agree on the name of an arbitrator, the parties agree to jointly submit a request for appoint of an arbitrator to an independent third party for selection. The parties shall each bear their own attorney's fees related to such arbitrator and shall equally share the costs and fees associated with the arbitrator and the arbitration process, unless otherwise agreed by the parties before or as part of the mediation settlement.

Qualified Arbitrators and Mediators. The Association may develop a roster of qualified mediators and arbitrators who agree to accept appointments under these Bylaws. Such a roster will be made available to the Unit Owners upon request and may be amended from time to time by the Executive Board.

IX.

MISCELLANEOUS

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, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall

designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Owner, or (ii) if to the corporation, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one (1) person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder. Notwithstanding the foregoing, notice under this Section 9.1 shall be deemed to have been given to a Unit Owner when deposited by facsimile transmission, e-mail or other electronic communication to the Unit Owner's facsimile number or address for e-mail or other electronic communications supplied by the Unit Owner. Notice under this Section 9.1 shall be deemed to have been given to the Unit Owner when sent via one (1) of the methods prescribed in this Section 9.1.

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.

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.

Section 9.4 Annual Financial Statements. In accordance with Sections 5316(b) and (c) of the Act, within 180 days after the close of its fiscal year, the Association shall prepare, or have prepared, annual financial statements consisting of at least a balance sheet and a statement of revenues and expenses for the Association. The cost of preparing the financial statements shall be a Common Expense. Each Unit Owner shall be entitled to receive from the Association, within thirty (30) days after submitting a written request to the Association, a copy of the annual financial statements and, if such financial statements are audited, reviewed or compiled by an independent certified public accountant or independent public accountant, a copy of the independent accountant's report on the financial statements. The Association may charge a fee not to exceed the cost of producing copies of records other than the financial statement. If the Association fails to provide a copy of the annual financial statements and, if applicable, the report of an independent accountant, if any, to the requesting Unit Owner within the period of time set forth herein, or if the financial records of the Association which substantiate the Association's financial statements are not made reasonably available by the Association for examination by any Unit Owner and authorized agents, the Unit Owner may file a complaint with the Bureau of Consumer Protection in the Office of the Pennsylvania Attorney General.