

EXHIBIT B

MILLFORDING PRESERVE HOMEOWNERS' ASSOCIATION

BYLAWS

MILLFORDING PRESERVE HOMEOWNERS' ASSOCIATION
BYLAWS
TABLE OF CONTENTS

| <u>Article</u> | <u>Section</u> | <u>Title</u> | <u>Page</u> |
|----------------|----------------|---|-------------|
| I | | INTRODUCTORY PROVISIONS | |
| | 1.1 | Applicability | 1 |
| | 1.2 | Definitions..... | 1 |
| | 1.3 | Compliance..... | 1 |
| | 1.4 | Office | 1 |
| | 1.5 | Incorporation of Statutory Law..... | 1 |
| II | | THE ASSOCIATION | |
| | 2.1 | Membership..... | 1 |
| | 2.2 | Purpose..... | 2 |
| | 2.3 | Annual Meetings..... | 2 |
| | 2.4 | Budget Meeting | 2 |
| | 2.5 | Special Meetings | 2 |
| | | (a) Convened by Executive Board or Unit Owners | 2 |
| | | (b) First Special Election Meeting | 2 |
| | | (c) Second Special Election Meeting | 3 |
| | | (d) Combining Special Election Meetings with Annual Meeting | 3 |
| | 2.6 | Place of Meetings..... | 3 |
| | 2.7 | Notice of Meetings | 3 |
| | 2.8 | Quorum and Adjournment of Meetings | 4 |
| | 2.9 | Order of Business | 4 |
| | 2.10 | Conduct of Meetings | 4 |
| | 2.11 | Voting | 4 |
| | | (a) Number of Votes Held by Unit Owners..... | 4 |
| | | (b) Multiple Owners of a Unit | 4 |
| | | (c) Percentage of Votes Required to Adopt Decisions..... | 5 |
| | | (d) Election of Executive Board Members..... | 5 |
| | | (e) Declarant's Right to Vote Its Units | 5 |
| | | (f) Association Has No Vote..... | 5 |
| | | (g) No Cumulative or Class Voting..... | 6 |
| | 2.12 | Proxies..... | 6 |
| | 2.13 | Action Without Meeting..... | 6 |
| III | | EXECUTIVE BOARD | |
| | 3.1 | Number and Qualification | 6 |
| | 3.2 | Powers and Duties..... | 6 |
| | 3.3 | Standard of Care | 8 |
| | 3.4 | Delegation of Powers; Managing Agent..... | 9 |
| | 3.5 | Delegation of Powers; Master Association..... | 9 |

| | | |
|------|---|----|
| 3.6 | Election and Term of Office | 9 |
| 3.7 | Removal or Resignation of Members of the Executive Board | 10 |
| 3.8 | Vacancies | 10 |
| 3.9 | Organization Meeting..... | 10 |
| 3.10 | Regular Meetings..... | 10 |
| 3.11 | Special Meetings | 10 |
| 3.12 | Waiver of Notice | 11 |
| 3.13 | Quorum of the Executive Board | 11 |
| 3.14 | Compensation..... | 11 |
| 3.15 | Conduct of Meetings | 11 |
| 3.16 | Action Without Meeting | 11 |
| 3.17 | Validity of Contracts with Interested Executive Board Members..... | 11 |
| 3.18 | Inclusion of Interested Executive Board Members in the Quorum | 12 |
| 3.19 | Corporate Employees and Partners..... | 12 |
| | | |
| IV | OFFICERS | |
| 4.1 | Designation..... | 12 |
| 4.2 | Election of Officers..... | 12 |
| 4.3 | Removal of Officers | 13 |
| 4.4 | President..... | 13 |
| 4.5 | Vice President..... | 13 |
| 4.6 | Secretary | 13 |
| | (a) General Duties | 13 |
| | (b) Official List of Unit Owners | 13 |
| 4.7 | Treasurer | 13 |
| 4.8 | Execution of Documents..... | 14 |
| 4.9 | Compensation | 14 |
| 4.10 | Resale Certificates and Statements of Unpaid Assessments | 14 |
| 4.11 | Amendments to the Declaration..... | 14 |
| | | |
| V | MAINTENANCE | |
| 5.1 | Maintenance Responsibilities | 14 |
| | | |
| VI | COMPLIANCE AND DEFAULT | |
| 6.1 | Relief..... | 14 |
| | (a) Additional Liability..... | 15 |
| | (b) Costs and Attorney's Fees | 15 |
| | (c) No Waiver of Rights..... | 15 |
| | (d) Abating and Enjoying Violations by Unit Owners | 15 |
| 6.2 | Fine for Violation | 15 |
| 6.3 | Late Charges and Interest on Delinquent Assessments Dispute | 16 |
| | | |
| VII | AMENDMENTS | |
| 7.1 | Amendments to Bylaws | 16 |

| | | |
|------|--|----|
| VIII | RECORDS | |
| 8.1 | Records and Audit | 16 |
| 8.2 | Examination | 16 |
| IX | MISCELLANEOUS | |
| 9.1 | Notices..... | 17 |
| 9.2 | Interpretation..... | 17 |
| 9.3 | Captions..... | 17 |
| 9.4 | Gender..... | 17 |
| | EXHIBIT A - CHART OF MAINTENANCE RESPONSIBILITIES..... | 18 |
| | EXHIBIT B - FORM RESALE CERTIFICATE..... | 22 |

BYLAWS
OF
MILLFORDING PRESERVE HOMEOWNERS' ASSOCIATION

ARTICLE I
Introductory Provisions

1.1. Applicability. These Bylaws provide for the governance of Millfording Preserve Homeowners' Association ("Association") pursuant to the requirements of Section 5306 of the Pennsylvania Uniform Planned Community Act ("Act") with respect to the Planned Community created by the recording of the Declaration of Covenants and Restrictions for Millfording Preserve, a Planned Community ("Declaration") among the land records of Cumberland County, Pennsylvania.

1.2. 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.

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

1.4. Office. The office of the Community, the Association, 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.

1.5. Incorporation of Statutory Law. Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Non-profit Corporation Law of 1988 of the Commonwealth of Pennsylvania, 15 Pa. C.S. §5101, et seq., as amended from time to time ("Corporation Law"). The "Board of Directors" described therein shall be referred to herein and in the Declaration as the "Executive Board."

ARTICLE II
The Association

2.1. Membership. The Association is a Pennsylvania non-profit corporation established on a non-stock basis, all the members of which are the Unit Owners of the Community. The Declarant, being the initial owner of all Units, shall initially constitute all of the members of the Association. A person shall automatically become a member of the Association at the time he acquires legal title to his Unit, whether improved or unimproved, 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 Cumberland County Recorder of Deeds shall be determinative of all disputes concerning the date of transfer of title to any Unit.

2.2. Purpose. Except as otherwise established by the Executive Board, 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.

2.3. Annual Meetings. Except as otherwise established by the Executive Board, the annual meetings of the Association shall be held on the first Thursday of November 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 Unit Owners in accordance with the requirements of Section 3.6 of these Bylaws and such other business as may properly come before the meeting may be transacted.

2.4. Budget Meeting. Any meetings of Unit Owners to consider proposed budgets shall be called in accordance with Sections 9.5 and 9.6 of the Declaration. The budget may be considered at Annual or Special Meetings called for other purposes as well.

2.5. Special Meetings.

(a) Convened by Executive Board or Unit Owners. Special meetings of Unit Owners may be called by the President, a majority of the Executive Board, or upon a petition signed and presented to the Secretary by Unit Owners entitled to cast at least twenty percent (20%) 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 thirty (30) days after receipt by the President of said resolution or petition. No business shall be conducted at a special meeting except as stated in the notice.

(b) First Special Election Meeting. Within sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than the Declarant, a special meeting of the Association shall be held at which one (1) of the three (3) members of the Executive Board designated by the

Declarant shall resign (such member to be selected by the Declarant), and the Unit Owners, excluding the Declarant as a Unit Owner, shall thereupon elect one successor member of the Executive Board to act in the place and stead of the member resigning, Such successor member shall serve until the second special election meeting of the Association to be held in accordance with subsection (c) below.

(c) Second Special Election Meeting. Not later than the earliest of (i) seven (7) years after the date of the first conveyance of a Unit to a Unit Owner other than the Declarant, (ii) sixty (60) days after seventy-five percent (75%) of the Units which may be created within the Community have been conveyed to Unit Owners other than the Declarant, (iii) two (2) years after the Declarant or a Builder has ceased to offer Units for sale in the ordinary course of business, or (iv) two (2) years after any development right to add new Units was last exercised by the Declarant, a special meeting of the Association shall be held at which all members of the Executive Board shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Executive Board to act in the place and stead of those resigning. 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. Notwithstanding the foregoing exceptions, pursuant to Section 3.6 hereof, a full regular term of office is three (3) years.

(d) Combining Special Election Meetings with Annual Meeting. Notwithstanding the foregoing, if any meeting required pursuant to subparagraphs (b) and (c) above could be held on the date an annual meeting of the Association is scheduled, then such meeting(s) may be held concurrently with such annual meeting.

2.6. 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 Unit Owners as may be designated by the Executive Board.

2.7. Notice of Meetings. The Secretary shall give to each Unit Owner a notice of each annual, regularly scheduled or special meeting of the Association not fewer than ten (10) nor more than sixty (60) days in advance of any meeting, stating the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or the Bylaws, any budget or assessment changes 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.

2.8. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent (25%) or more of the Unit Owners shall constitute a quorum at all meetings of the Association. 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 twenty-four (24) hours after the time for which the original meeting was called.

2.9. Order of Business. The order of business at all meetings of the members of the Association shall be as follows:

- (a) Roll call (proof of quorum).
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and approval of minutes of preceding meeting.
- (d) Reports of officers and committees.
- (e) Election of members of the Executive Board, if applicable to such meeting.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

2.10. Conduct of Meetings. The President (or in his absence, the Vice President) shall preside over all meetings of the Association 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 Association. 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 or other officer presiding over the meeting.

2.11 Voting.

(a) Number of Votes Held by Unit Owners. The number of votes to which each Unit Owner is entitled to shall be one (1) vote per Unit.

(b) Multiple Owners of a Unit. If the owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be

entitled to cast the vote for such Unit shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the owner of a Unit 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 person, the natural person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the secretary or, in the absence of such named person from the meeting or the failure to execute and file such a certificate, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. If more than one (1) person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement. There shall be deemed to be unanimous agreement if anyone (1) of the multiple 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 Owners of the Unit. For any matter requiring approval or disapproval of Unit Owners, the person having voting power for a Unit is the person who would be entitled to cast the vote at any meeting of the Association. An exception to this rule is a situation in which the Act or the Declaration requires the owners of a Unit to execute an instrument in the same manner as a deed.

(c) Percentage of Votes Required to Adopt Decisions. 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, a "Majority Vote" is required to adopt decisions at any meeting of the Association. A "Majority Vote" means a vote by Unit Owners vested with more than fifty percent of the votes (as allocated in the Declaration, as last amended) actually voting in person or by proxy at a duly convened meeting at which a quorum is present.

(d) Election of Executive Board Members. 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, as last amended. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the higher number of votes shall be elected to the longer terms.

(e) Declarant's Right to Vote Its Units. Except as set forth in Section 2.5(b) hereof, 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 allocated.

(f) Association Has No Vote. No votes allocated to a Unit owned by the Association may be cast.

(g) No Cumulative or Class Voting. There shall be no cumulative or class voting.

2.12. Proxies. A vote may be cast in person or by 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. In the case of multiple Owners of a Unit, the proxy shall be executed in the same manner as the certificates described in Section 2.11 (b) hereof. 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.

2.13. Action Without Meeting. Any action required or permitted to be taken by a vote of the members of the Association may be taken without a meeting by unanimous written consent executed by all Unit Owners stating the action so taken. Any such written consent shall be filed with the minutes of the proceedings of the Association.

ARTICLE III **Executive Board**

3.1. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of three (3) natural persons, all of whom shall be Unit Owners or designees of the Declarant. The size of the Executive Board is subject to change as provided in Article XI of the Declaration.

3.2. Powers and Duties. 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 of the Community which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws, rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees and agents other than managing agents and independent contractors;

(f) Institute, defend or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association or two or more Unit Owners on matters affecting the Community;

(g) Make contracts and incur liabilities;

(h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;

(i) Cause additional improvements to be made as a part of the Common Elements;

(j) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property but Common Elements may be conveyed or subjected to a Security Interest only pursuant to the provisions of the Act;

(k) Grant easements for any period of time including permanent easements, and leases, licenses and concessions for no more than one year, to or over the Common Elements, provided that any such easements, leases, licenses or concession shall be granted in accordance with Section 5302(a)(9) of the Act;

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

(m) Impose charges or interest or both for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of the Declaration, Bylaws and Rules and Regulations of the Association;

(n) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates or statements of unpaid assessments;

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

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

(q) Effectuate any merger of the Community and the Association with anyone or more planned communities and/or condominium(s) and its/their association, subject nonetheless to Section 18.3 of the Declaration;

(r) Delegate any powers of the Association to a master association in accordance with the provisions of the Declaration and Section 5302(a)(18) of the Act;

(s) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(t) Exercise any other powers conferred by the Act, Declaration or Bylaws;

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

(v) Exercise any other powers necessary and proper for the governance and operation of the Association; and

(w) 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.

3.3. Standard of Care. In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) One or more other officers or employees of the Association whom the officer or Executive Board member reasonably believes to be reliable and competent in the matters presented.

(b) Counsel, public accountants or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert competence of such person.

(c) A committee of the Executive Board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which Committee the officer or Executive Board member reasonably believes to merit confidence.

An officer or Executive Board member shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

3.4. Delegation of Powers: Managing Agent. The Executive Board may employ for the Community a "Manager" or "Managing Agent" at a compensation established by the Executive Board to perform such duties and services as the Executive Board shall authorize. Where a Manager/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 Manager/Managing Agent only the powers granted to the Executive Board by these Bylaws under subsections 3.2(c), (e), (g) and (h).

Any contract with the Manager/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. This right of termination shall not require the payment of any penalty by the Association. The term of any such contract may not exceed one (1) year.

3.5. Delegation of Powers: Master Association. The Executive Board may delegate some or all of the powers of the Association to a master association in accordance with the provisions of Section 5302(a)(18) of the Act.

3.6. Election and Term of Office. Subject to Article XI of the Declaration, the election of members of the Executive Board shall be held at the annual meetings of the Association. Nominations for members of the Executive Board may be submitted either in advance of the election meeting or from the floor at the meeting at which the election is held, or both. The term of office of any Executive Board member to be elected (except as set forth in Sections 2.5(b) and (c) and 3.7 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.

3.7. Removal or Resignation of Members of the Executive Board. Except with respect to members designated by Declarant, at any regular or special meeting of the Association duly called, anyone (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. 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 Section 11.1 of the Declaration.

3.8. Vacancies. Except as set forth in Section 3.6 hereof with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the 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. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term. In the event of a vacancy caused by the resignation or removal of an Executive Board member elected by the Unit Owners pursuant to Section 2.5(b) hereof, that member's replacement shall be elected by Unit Owners other than Declarant at a special meeting of the Association called for such purpose.

3.9. 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.

3.10. 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 once during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by personal

delivery-or by mail, facsimile or electronic mail, at least three (3) business days prior to the day named for such meeting.

3.11. 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 hand delivery or by mail, facsimile or electronic mail, 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.

3.12. Waiver of Notice. Any member may waive notice of any meeting in writing, 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. If all members are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

3.13. Quorum of the Executive Board. At all meetings of the Executive Board a majority of the members shall constitute a quorum for the transaction of business, and 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, the member present may adjourn the meeting. 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 communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

3.14. 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.

3.15. 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.

3.16. 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 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.

3.17. Validity of Contracts With Interested Executive Board Members. No contract or other transaction between the Association and one (1) or more of its Executive Board members or between the Association 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:

(a) 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, whether or not such interest 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 of such Executive Board member; or

(b) 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.

3.18. 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 Section 3.17 hereof.

3.19. Corporate Employees and Partners. Notwithstanding any other provision contained in the Community Documents, if an employee or officer of a corporate Unit Owner or a partner of a partnership Unit Owner serves as a member of the Executive Board, and such employee, officer or partner dies, or if his employment or partnership relationship is terminated, such individual shall thenceforth cease to be a member of the Executive Board and the corporate or partnership Unit Owner shall immediately designate another employee, officer or partner to succeed the former Executive Board member and to complete his term as such Executive Board member.

ARTICLE IV

Officers

4.1. Designation. The principal 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 Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one (1) office.

4.2. 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.

4.3. 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.

4.4. 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 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 Association.

4.5. 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. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President.

4.6. Secretary.

(a) General Duties. 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 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.

(b) Official List of Unit Owners. The Secretary shall attempt in good faith to compile and maintain at the principal office of the Association, an updated list of Unit Owners and their last known post office addresses. Such lists shall also show opposite each Unit Owner's name the address of the Unit owned by such Unit Owner. The list shall be revised by the Secretary to reflect changes in ownership of Units occurring prior to the date of each annual or special meeting of the Association. This list shall be open to inspection by all Unit Owners and other persons lawfully entitled to inspect the same during regular business hours up to the date of each such annual or special meeting.

4.7. Treasurer. The Treasurer shall be responsible for (a) the safekeeping of the Association funds and securities, (b) keeping full and accurate financial records and books of account showing all receipts and disbursements, (c) the preparation of all required financial data, and (d) for the deposit of all monies in the name of the Executive

Board or the Association, 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.

4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in amounts greater than five percent (5%) of the annual budget of the Association shall be executed by two (2) officers of the Association designated for this purpose by the Executive Board. All such instruments for expenditures or obligations in amounts equal to or less than five percent (5%) of the annual budget of the Association may be executed by either the President or Vice President.

4.9. Compensation. No officer shall receive any compensation from the Association for acting as such officer, but may be reimbursed for any reasonable out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

4.10. Resale Certificates and Statements of Unpaid Assessments. The Treasurer, Assistant Treasurer, Secretary, or a manager 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(b) of the Act and statements of unpaid assessments in accordance with Section 5315(h) of the Act. The form resale certificate attached as Exhibit B hereto shall be deemed to satisfy the foregoing provisions of the Act. The Association may charge the Unit Owner requesting such certificate or statement a reasonable fee for preparing resale certificates and statements of unpaid assessments.

4.11. 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.

ARTICLE V **Maintenance**

5.1. Maintenance Responsibilities. The maintenance, repair and replacement responsibility for Units and Common Elements shall be carried out by the Association and the Unit Owners in accordance with the provisions of the Act, by Article V of the Declaration, and as set forth in Exhibit A to these Bylaws.

ARTICLE VI
Compliance and Default

6.1. Relief. Each Unit 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 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 to comply with any provisions of the Community Documents or the Act shall entitle the Association, acting through its Executive Board or the Managing Agent, to the following relief:

(a) 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 if and to the extent that such expense is not fully covered by the proceeds of insurance carried by the Association. 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.

(b) Costs and Attorney's Fees. In any proceedings 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.

(c) No Waiver of Rights. The failure of the Association, the Executive Board or a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board, the Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, 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 Association, 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 anyone (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.

(d) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Act, shall give the Executive Board the right, after Notice and Hearing, in addition to any other rights: (a) to enter the Unit 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; (b) to levy fines pursuant to Section 6.2 hereof; and/or (c) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

6.2. Fine for Violation. By resolution, following Notice and Hearing, the Executive Board may levy a fine of up to \$25.00 per day for each day that a violation of the Community Documents or the Act persists after such Notice and Hearing, but such amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

6.3. Late Charges and Interest on Delinquent Assessments. Any assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of Ten Dollars (\$10.00) or such other amount as may be determined by the Executive Board, 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 Section 5315 of the Act.

6.4. Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration, the Plats and Plans, these Bylaws or the Rules and Regulations, the determination thereof by the Executive Board, after Notice and Hearing, shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

ARTICLE VII

Amendments

7.1. Amendments to Bylaws. These Bylaws may be amended only pursuant to the provisions of Article XV of the Declaration.

ARTICLE VIII

Records

8.1. Records and Audit. The Association shall maintain accurate and complete financial records of the affairs of the Community, including such information as is required for the Association to provide resale certificates and statements of unpaid assessments as required by Section 5407 and 5315(h) of the Act. The financial records shall be maintained and audited in accordance with Article IX of the Declaration. The cost of the audit shall be a Common Expense unless otherwise provided in the documents.

8.2. Examination. All records maintained by the Association or by the Managing Agent shall be available for examination by any Unit Owner, by any holder of a Security Interest in a Unit or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

ARTICLE IX **Miscellaneous**

9.1. 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 hand delivered or if sent prepaid by United States mail (i) if to a Unit Owner, at the 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 Unit Owner, or (ii) if to the Association, the Managing Agent, or to the Executive Board, at the principal office of the Association or 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 an address in writing to the Secretary shall be entitled to receive all notices hereunder.

9.2. Interpretation. In the event of a conflict of interpretation between the provisions set forth in these Bylaws and the Declaration, the Declaration shall govern. In the event that the Internal Revenue Code is hereafter amended or changed, both the Declaration and these Bylaws shall be interpreted in such a manner as to conform to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve the lawful status of the Association as a bona-fide non-profit entity.

9.3. 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.

9.4. 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.

Adopted: September 5, 2014

EXHIBIT A

**MILLFORDING PRESERVE HOMEOWNERS' ASSOCIATION
CHART OF MAINTENANCE RESPONSIBILITIES**

This chart and the titles and headings used herein are not intended to describe or encompass every maintenance function or to delineate all respective responsibilities between the Unit Owners, severally, and the Association. The placement of responsibility under any specific column does not necessarily coincide with the actual ownership of the component. The Unit deed determines ownership. In many cases, maintenance responsibility is allocated to the Association to ensure consistency, uniformity and quality of repair and to protect community health and safety. Where such maintenance is required due to the negligent or wrongful act or omission of a Unit Owner (or his family, tenants, employees, agents, visitors, guests or pets), the Association will perform the necessary maintenance at the sole expense of the Unit Owner. To the extent any item is not referenced herein, it is assumed to be the responsibility of the Unit Owner with regard to their Unit.

| ITEM DESCRIPTION | ASSOCIATION | UNIT OWNER* | JOINT** |
|--|-------------|-------------|---------|
| Improvements located on Common Elements plus fencing on Units 5-10 | X | | |
| Signage located in Easement Areas or Common Elements | X | | |
| Sidewalks, including steps | | | |
| Cleaning and Sweeping | | X | |
| Maintenance and Repair | | X | |
| Replacement | | X | |
| Driveway Surfaces | | | |
| Cleaning and Sweeping | | X | |
| Maintenance and Repair | | X | |
| Replacement | | X | |
| Patios, Porches and Decks | | | |
| Cleaning and Sweeping | | X | |
| Maintenance and Repair | | X | |
| Replacement | | X | |

| ITEM DESCRIPTION | ASSOCIATION | UNIT OWNER* | JOINT** |
|---|-------------|-------------|---------|
| Landscaping within the Unit | | | |
| Lawn Mowing and Raking | | X | |
| Shrub and Tree Pruning; Leaf Removal | | X | |
| Bed Cleaning, Weeding and Mulching | | X | |
| Fertilizing, Weed Control and Insect Control | | X | |
| Edging | | X | |
| Replacement of Grass, Shrubs and Trees | | X | |
| Landscaping within the Landscape Easement and Common Elements | | | |
| All Landscaping, lawn care, shrubs and trees | X | | |
| Snow Removal from the Unit | | | |
| Stoops and Porches | | X | |
| Patios and Decks | | X | |
| Driveways and Sidewalks | | X | |
| Fire Hydrant Access | | X | |
| Mailbox Access | | X | |
| Snow Removal from the Common Elements | | | |
| All Snow Removal, if any | X | | |
| Exterior Lighting Serving Common Facilities or Community Signage | | | |
| Repair and Replacement of Fixtures and Wiring | X | | |
| Bulb Replacement | X | | |
| Exterior Lighting Serving Only One Unit/Lamp Post | | | |
| Repair and Replacement of Fixtures and Wiring | | X | |
| Bulb Replacement | | X | |
| Electrical Systems | | | |
| All Portions of System Serving Only One Unit | | X | |
| Water/Plumbing Systems | | | |
| All Portions of System Serving More Than One Unit*** | | X | |
| All Portions of System Serving Only One Unit | | X | |
| Sewer System | | | |
| All Portions of System Serving More Than One Unit (Mains)*** | X | | |

| ITEM DESCRIPTION | ASSOCIATION | UNIT OWNER* | JOINT** |
|---|-------------|-------------|---------|
| All Portions of System Serving Only One Unit (Laterals and Service Lines) | | X | |
| Basement Leakage | | | |
| Repairs and Remedies as required | | X | |
| Pest Control and Extermination | | | |
| All Infestations | | X | |
| Painting/Staining | | | |
| Decks | | X | |
| Exterior Doors and Garage Doors | | X | |
| Exterior and Interior Surfaces | | X | |
| Storm Water Drainage (Common Elements) | | | |
| Swale Maintenance, Re-grading and Repair as required | X | | |
| Insurance | | | |
| Blanket Policy Covering Common Elements Liability | X | | |
| Unit Policy - Structure, Contents and Liability | | X | |
| Association/Director's Liability Insurance | X | | |
| Trash Removal | | | |
| Trash Removal from Units and Recycling | | X | |
| Trash Removal from Common Elements | X | | |
| Maintenance, Repair and Replacement of: | | | |
| Heating and Air Conditioning Systems | | X | |
| Water Heaters | | X | |
| Appliances | | X | |
| Furnace Vents | | X | |
| Mailboxes, Standards and Posts (community specifications only) | | X | |
| Dryer Vents | | X | |
| Roofing, Gutters and Downspouts | | X | |
| Fireplaces | | X | |
| Windows | | | |
| Replacement | | X | |
| Glass Replacement | | X | |
| Cleaning and Maintenance | | X | |
| Exterior Doors and Garage Doors | | | |
| Replacement | | X | |

| ITEM DESCRIPTION | ASSOCIATION | UNIT OWNER* | JOINT** |
|---|-------------|-------------|---------|
| Locks, Hinges, Hardware, Openers and Controls | | X | |
| Trim, Buck, Sill, Weatherstripping and Tracks | | X | |
| Privacy Fences (community specifications only) | | | |
| Staining or Painting | | X | |
| Replacement | | X | |

*In the event that, in the judgment of the Association or the Manager, an exterior item listed in this column is in need of repair, maintenance or replacement, and a Unit Owner fails to complete such repair, maintenance or replacement within a reasonable period of time after receiving notice from the Association that such work must be done, the Association may cause the work to be done and shall bill the cost of such repair, maintenance or replacement to the Unit Owner who failed to complete the work. The costs incurred by the Association for the remediation of the Unit Owner's work shall be billed to the Unit Owner and collected as a special assessment in accordance with the provisions of the Declaration of Covenants and Restrictions for Millfording Preserve, A Planned Community ("Declaration").

** JOINT represents those maintenance, repair or replacement items that are assigned to the Association to perform, but the costs of which are billed to the benefited Unit Owner by the Association. If a Unit Owner desires to do the work himself or desires to contract with a reputable contractor to complete any item set forth in the JOINT column, the Unit Owner may do so at his sole expense, provided that he obtains prior written approval of his plans and specifications from the Executive Board in accordance with Subsection 4.1.2 and Article VII of the Declaration. In the event that the work is not approved by the Executive Board prior to commencement, or if, in the judgment of the Executive Board, the work is inconsistent with community standards, the Executive Board may cause the work to be corrected to acceptable standards at the Unit Owner's expense. The costs incurred by the Association for the remediation of the Unit Owner's work shall be billed to the Unit Owner and collected as a special assessment in accordance with the provisions of the Declaration. It is presently anticipated that there will be no joint maintenance items; however, the Association reserves the right to designate an item as a joint maintenance item by amending this Chart of Maintenance Responsibilities in accordance with the provisions of Section 16.1 of the Declaration.

***The Declarant intends to dedicate the sanitary sewer system to the local authority which will then be responsible for its maintenance, repair and replacement. Until the facilities are accepted for dedication, the Declarant and Association, as applicable, shall be responsible for the said facilities. In the event that any units shall share any sanitary conveyance device, i.e. grinder pump, the maintenance and repair and operation of the conveyance device shall be the responsibility of the affected Unit Owners.

d. The amount of any surplus funds credited to the Unit and to be applied in accordance with Section 5313 of the Act is \$_____.

3. Other Fees. Other fees payable by Unit Owners are as follows:

Initial Fee at transfer of Unit in the amount of \$_____.00.

4. Capital Expenditures. Capital expenditures proposed by the Association for the current fiscal year and the succeeding two fiscal years are as follows:

- a. Current Fiscal Year: \$ _____
- b. Fiscal Year 20____: \$ _____
- c. Fiscal Year 20____: \$ _____

5. Capital Reserves. The Association has accumulated reserves for capital expenditures in the amount of \$_____. Of this total reserve amount, the amounts set forth below have been designated for the specific capital projects described below:

6. Association Financial Statements. The most recently prepared balance sheet and income and expense statement for the Association, if any, are attached hereto.

7. Current Operating Budget. The current operating budget for the Association is attached hereto.

8. Judgments: Lawsuits. The following is a statement of any judgments against the Association and the status of any pending suits to which the Association is a party: _____

9. Insurance. The following insurance coverage is provided by the Association for the benefit of Unit Owners:

10. Alterations and Improvements. The Executive Board of the Association has the following knowledge of any alterations or improvements to the Unit appurtenant thereto which violate any provision of the Declaration:

11. Government Regulations; Environmental Matters. The Executive Board of the Association has the following knowledge of any violation of applicable government regulations or of any hazardous conditions with respect to the Unit or to any other portion of the Community, pursuant to Section 5402(a)(27) of the Act:

12. Leasehold Estate. There is no leasehold estate affecting the Community.

13. Cumulative or Class Voting. The Declaration does not provide for either cumulative or class voting.

14. Termination. An agreement to terminate the Community [has - has not] been submitted to the Unit Owners. If any such agreement has been so submitted, it [is - is not] still pending.

15. Master Association. The Community is not currently a master association and is not currently part of a master association. The Community could not become a master association or become part of a master association.

16. Time Share Estates. There are presently no Units in the Community that are owned as time share estates, nor is the creation of any such Units contemplated.

17. Merger of Community. The Declarant not reserved unto itself the right to merge or consolidate the Community with one or more other planned communities.

MILLFORDING PRESERVE HOMEOWNERS'
ASSOCIATION:

By: _____

Name:

Title:

Attachments:

Declaration and All Amendments

Bylaws and All Amendments

Current Rules and Regulations

Current Operating Budget

Most recently prepared Balance Sheet and Income and Expense Statement, if any Insurance Certificate