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BYLAWS OF
HOMEOWNERS ASSOCIATION, INC.

Article I

Name; Principal Office, and Definitions

Section 1.1. Name. The name of the Association shall be Marshall Heights Homeowners Association (hereinafter referred to as the "Association").

Section 1.2. Principal Office. The principal office of the Association shall be at 101 Commerce Boulevard, Lawrence, PA 15055.

Section 1.3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Marshall Heights, a Planned Community (said Declaration, as amended, renewed, or extended from time to time, is hereinafter referred to as the "Declaration"), unless the context shall prohibit.

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 2.1. Members. Every Owner of a Lot, other than Lots 101 and 102, shall be a member of the Association as designated in Section 2.2 hereof. Membership shall be appurtenant to and may not be separated from ownership and/or occupancy of a Lot or Unit.

Section 2.2. Joint Owners. If more than one person holds an interest in a Lot, all such persons shall be Members of the Association; provided, however, that the Owners' votes shall be exercised as provided above or as such persons among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Unit not owned by Declarant. If such Owners cannot agree, they shall forfeit the vote.

Section 2.3. 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 Members as may be designated by the Board of Directors either within the Plan or as convenient thereto as possible and practical.

Section 2.4. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of registration of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 2.5. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.6. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to a Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 2.7. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 2.8. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members representing

at least fifteen percent (15%) of the total votes of the Association remain in attendance, and provided further, that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 2.9. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 2.10. Proxies. Members may vote by proxy. The presence of, or vote or other action at a meeting of Members, or the expression of consent or dissent to Association action in writing, by a proxy of a Member shall constitute the presence of, or vote or action by, or written consent or dissent of the Member. Every proxy shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary of the Association. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective unless written notice thereof has been given to the Secretary of the Association. An unrevoked proxy shall not be valid after one (1) year from the date of its execution, unless such proxy specifies a shorter term.

Section 2.11. Majority. As used in these Bylaws, the term "majority" shall mean those voters, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

Section 2.12. Quorum for Association Meetings. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of the Members entitled to cast 20% of the votes which may be cast for the election of the executive board shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 2.13. Conduct of Meetings. The 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 at the meeting.

Section 2.14. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Article III
Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors (the "Board"), each member of which shall have one (1) vote. Except with respect to directors appointed by the Declarant, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is (an entity other than an individual, i.e. a corporation or partnership, etc.) the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 3.2. Directors During Declarant Control Period. During the Declarant Control Period, the Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, for a period of five (5) years from the sale of the first Lot or Unit to an unrelated third party, or such earlier time as twenty-five (25%) of all Lots or Units have been sold by the Declarant to unrelated third parties. This Section 3.2 may not be amended without the express written consent of the Declarant.

Section 3.3. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than five (5), as provided herein. The initial Board shall consist of three (3) members to be identified in the Articles of Incorporation.

Section 3.4. Nomination of Directors. Except with respect to directors selected by the Declarant, nominations for election to the Board shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 3.5. Election and Term of Office. The Declarant shall appoint three (3) members to the Board until such time that the Members elect twenty-five percent (25%) of the Board pursuant to this Section. Not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units to Owners other than Declarant or a related party, at least one (1) member and not less than twenty-five percent (25%) of the Directors of the Association shall be elected by Owners other than Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Units to

Owners other than Declarant or a related party, not less than thirty-three percent (33%) of the Directors of the Association shall be elected by Owners other than Declarant. Not later than the termination of the Declarant Control Period, the Members shall elect a Board consisting of at least three (3) members, at least a majority of whom shall be Lot or Unit Owners.

Three (3) directors shall be elected to serve a term of two (2) years and two (2) directors shall be elected to serve a term of one (1) year. Upon the expiration of the initial term of office of each such director, a successor shall be elected to serve a term of two (2) years. Thereafter, all directors shall be elected to serve two (2) year terms. For the purpose of the election of directors, each Member shall have one (1) equal vote. The Declarant shall be entitled to one (1) vote for each Lot or Unit owned.

At any election of directors, each Member shall be entitled to cast one (1) equal vote with respect to each vacancy to be filled. The candidates receiving the largest number of votes shall be elected. The Directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 3.6. Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by the vote of Members holding at least two-thirds (2/3) of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by at least a two-thirds (2/3) vote of the remaining Members present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall serve for the remainder of the term of the director who vacated the position.

B. Meetings.

Section 3.7. Organizational Meetings. The first meeting of the Board following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at

least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone, shall be delivered or telephoned, at least seventy-two (72) hours before the time set for the meeting.

Section 3.10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.11. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 3.13. Conduct Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all directors are able through telephone connection to hear and to be heard.

Section 3.14. Open Meetings. Subject to the provisions of Section 3.15 of this Article, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak.

Section 3.15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 3.16. Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the Members or the membership generally.

The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the Common Property expenses;

(b) making assessments to defray the Common Property expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the assessments; provided, unless otherwise determined by the Board, the annual assessment for each Lot's or Unit's proportionate share of the Common Property expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of the first month for each calendar quarter;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Property;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, maintenance, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws including care and maintenance of lawns and landscaping and snow removal and any repair or maintenance which has not been done by any Owner after receiving written notice from the Association of the need to perform such repair or maintenance.

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Lot or Unit, any Lot or Unit Owner, any first mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot or Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Lot or Unit and all other books, records, and financial statements of the Association; and

(n) permitting utility suppliers to use portions of the Common Property reasonably necessary to the ongoing development or operation of the Plan.

Section 3.17. Management Agent.

(a) The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 3.16 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without termination fee on ninety (90) days' or less written notice.

Section 3.18. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepting accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) any financial or other interest which the Declarant or the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(e) commencing at the end of the month in which the first Lot or Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period;
and

(v) a delinquency report listing all Owners who are delinquent in paying the monthly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board).

(f) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, during the Declarant Control Period, the annual report shall include certified financial statements.

Section 3.19. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Common Property without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, however, that the Board shall obtain Member approval in the same manner provided in the Declaration for Special Common Property Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these Bylaws, or the Articles of Incorporation, during the Declarant Control Period, no mortgage lien shall be placed on any portion of the Common Property without the affirmative vote or written consent, or any combination thereof, of Members representing at least fifty-one percent (51%) of the Members other than the Declarant and the Declarant's nominees.

Section 3.20. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot or Unit. In the event that any Owner of a Lot or Unit violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the Owner; provided, however, if the fine is not paid by the Owner within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to

enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so at any time thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The finding of the Board shall be binding upon the Association and the Owner. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity or enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same persons, except the offices of President and Secretary.

Section 4.2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.3. Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

Article V Committees

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

Article VI Miscellaneous

Section 6.1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board.

Section 6.2. Conflicts. If there are conflicts between the provisions of Pennsylvania law, the Articles of Incorporation, the Declaration, and these Bylaws, the

provisions of Pennsylvania law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 6.3. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and Bylaws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 6.4. Notices. Unless otherwise provided in these Bylaws, 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 United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot or Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6.5. Amendment. These Bylaws may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination

thereof, of Members representing sixty-seven percent (67%) of the total votes of the Association, including sixty-seven percent (67%) of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any mortgage held by a mortgagee or impair the rights granted to mortgagees herein without the prior written consent of such mortgagees.

FISCAL RESOLUTION
INITIAL CONTRIBUTION FEE
FOR
MARSHALL HEIGHTS HOMEOWNERS ASSOCIATION

WHEREAS, the Pennsylvania Uniform Planned Community Act, Section 5302, Paragraph 12, states that "The Association may impose a capital improvement fee on the resale or transfer of units."

WHEREAS, the Board of the Association wishes to establish an Initial Contribution Fee.

THEREFORE, BE IT RESOLVED that the following be the Association's policy on the Initial Contribution Fee.

Upon the purchase of each unit from the current unit owner, each new unit owner shall (from the closing on the unit) deposit or cause to be deposited with the management agent of the Board of Directors an amount equal to three times (3x) the monthly assessment for the unit. Such amounts shall be held, together with amounts previously deposited by other unit owners, as an addition to the existing Reserve Account maintained by the management agent. To the extent that said fund may be depleted, or in the judgment of the Board of Directors be determined to be inadequate, the Board of Directors may increase the amount of the deposit required from each new unit owner. Such amounts deposited shall be non-refundable.

This resolution will be effective August 24, 2011

Pauline Paulone
President

8/29/11
Date

Jim Gil
Secretary

8/29/11
Date