

**MASTER BYLAWS OF
THE APPLECROSS COUNTRY CLUB MASTER ASSOCIATION, INC.**

WHEREAS, The Applecross Country Club Master Association, Inc., a Planned Community (the "Master Association"), has been organized as a Pennsylvania Non-Profit Corporation under and subject to the Pennsylvania Non-Profit Corporation Law, 15 Pa. C. S. A. Section 5101, et seq., as amended (the "NPC") by the filing of Articles of Incorporation with the Commonwealth of Pennsylvania, Department of State, on December 12, 2005; and

WHEREAS, the Master Association has been organized under the NPC on a non-stock basis as a membership corporation to hold title to, and administer, manage and operate the common area and common facilities within the flexible planned community commonly known as "Applecross Country Club" and/or "Applecross" located in East Brandywine Township and West Brandywine Township, Chester County, Pennsylvania; and

WHEREAS, the Master Association has also been organized to administer, manage and operate certain controlled facilities which are also located within Applecross Country Club; and

WHEREAS, the Master Association has been organized under the NPC on a non-stock basis as a membership corporation whose members consist of all those persons, partnerships, corporations, trusts or entities (the "Member" and/or the "Members") who may now or hereafter hold the legal title to the 1030 proposed units located in the master community known as Applecross Country Club; and

WHEREAS, Applecross Country Club and the Master Association have also been organized under the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. §5101, et seq. (the "UPCA" or the "Act"); and

WHEREAS, the Master Association and its Members require Master Bylaws under the provisions of the UPCA to establish the policies and procedures by which the administrative, business, and financial affairs of the Master Association shall be conducted;

NOW THEREFORE, these Master Bylaws of The Applecross Country Club Master Association, Inc. (hereinafter the "Master Bylaws"), having been approved by the Incorporators at a meeting duly called for that purpose, are hereby adopted to govern the administration, management and operation of the Master Association.

**ARTICLE I
DEFINITIONS**

The following words and terms used herein shall have the meaning respectively ascribed to each of them in that certain Master Declaration of Covenants, Easements and Restrictions of Applecross Country Club, A Flexible Planned Community (the "Master Declaration") executed by and on behalf of the Members of The Applecross Country Club Master Association, Inc., said Master Declaration having been dated the ___ day of January, 2006, and having been recorded in

the Office of the Recorder of Deeds in and for Chester County, Pennsylvania: Applecross; Assessment; Assessments; Board; Board of Directors; Club Easement Area; Club Membership; Club Properties; Common Area; Common Expense Liability; Common Expenses; Common Facilities; Community Center; Community Manager; Controlled Facilities; Convertible Real Estate; Declarant; Declarant Control Period; Development Agreement; Fitness Center; Golf Club; Golf Club Operator; Governing Documents; Lease; Limited Controlled Expense; Lot; Manager; Master Association; Master Association Book; Master Bylaws; Master Declaration; Master Governing Documents; Member; Occupant; Over 55 Housing; Owner; Phase; Plan; Private Amenity; Property; Recreation Areas; Rules; Rules and Regulations; Special Declarant Rights; Sub Association; Sub Association Governing Documents; Township; Townships; Unit and Units. All other undefined terms contained herein which require definition shall have the meaning otherwise ascribed to them in the Master Declaration, or if not defined in the Master Declaration, then in the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. §5101, et seq. (the "UPCA" or the "Act"), or in the Pennsylvania Nonprofit Corporation Law of 1988, 15 Pa. C.S.A. §5101, et seq. (the "NPC"), as may be applicable to the term.

ARTICLE II

OFFICE

The registered office of The Applecross Country Club Master Association, Inc., shall be in care of Steven L. Sugarman and Associates, 1273 Lancaster Avenue, Berwyn, PA 19312-2607, or such other address as the Master Board may from time-to-time designate. The Master Association may also establish offices at such other places as determinate by the Declarant during the Declarant Control Period, and thereafter by the Master Board, may from time-to-time appoint, or the business of the Master Association may require.

ARTICLE III

CORPORATE SEAL

The corporate seal for the Master Association shall be in circular form having within its circumference the words "The Applecross Country Club Master Association, Inc." and bearing the year of its organization, 2005.

SEAL

ARTICLE IV

MEMBERSHIP

Section 1. Membership. Each of those who accept, hold or receive a deed to a Unit, or are identified in the records maintained by the Recorder of Deeds of Chester County as the owner of record of a Unit now or hereafter located within the Property shall be a Member of the Association, shall be and shall remain, subject to all of the benefits, privileges, terms, conditions, covenants, charges, easements, licenses, liens and restrictions set forth in the Master Governing

Documents until such time as the Member sells, conveys or otherwise transfers the title of a Unit to a new Owner of record.

a. Those who accept, hold or receive a deed to a Unit, or are identified in the records maintained by the Recorder of Deeds of Chester County as the owner of record of a Unit now or hereafter located within the Property, shall also be a Member of the Sub Association in which their Unit is located, and they shall be and shall remain, subject to all of the benefits, privileges, terms, conditions, covenants, charges, easements, licenses, liens and restrictions set forth in their Sub Association's Governing Documents until such time as they sell, convey or otherwise transfer the title to their Unit to a new Owner of record.

Section 2. Duration of Membership. Membership in the Association shall be appurtenant to ownership of a Unit, and shall continue throughout the term of ownership of a Unit. Membership cannot be assigned, transferred, conveyed, sold, leased, pledged, encumbered or licensed except upon completion of the sale, conveyance or other transfer of the title to a Unit. Membership shall be transferred to the new Owner automatically, without the act of any person, upon the recording of a deed or instrument conveying, assigning or otherwise transferring the title to a Unit.

a. No person, partnership, corporation or entity which holds a mortgage or security interest on a Unit, any portion of a Unit, or any improvement now or hereafter erected in or on a Unit, shall be a Member of the Association until such time as the mortgagee or security interest holder becomes the Owner of record of the Unit.

b. New Owners shall bear the obligation of providing a copy of their deed to the Association as proof of membership if requested by the Secretary to do so.

Section 3. Voting Rights of Members. Each Unit subject to the Master Declaration which is not owned by the Declarant shall have one (1) vote. During the Declarant Control Period the Declarant shall have three (3) votes for each Unit owned by the Declarant and submitted to the Master Declaration. After the Declarant Control Period ends, the Declarant shall have only one (1) vote for each of the Units within any Phase or Phases owned directly or beneficially by the Declarant.

a. Votes may be cast in any manner permitted in these Master Bylaws.

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

c. Proxies may be exercised only in accordance with these Master Bylaws, or as may be established by the Master Board in the manner permitted in these Master Bylaws.

d. Voting rights of a Member who is not in good standing may be suspended until the Member returns to good standing.

e. Cumulative voting is not permitted at any time.

ARTICLE V
MEMBERSHIP MEETINGS

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

a. In the event that an Annual Meeting is not held within any twelve (12) month calendar year, then upon the receipt by the Master Board of a written request for an Annual Meeting signed by at least twenty-five percent (25%) of all Members then entitled to vote at any such meeting, the Secretary shall consult with the Master Board and fix the time, date and place for an Annual Meeting to be held not more than sixty (60) days from the date of receipt of the Members' request. The Master Board shall promptly adopt the agenda and meeting rules and procedure to be followed at the Annual Meeting, including on the agenda all items and topics set forth in the Annual Meeting request received from the Members which are appropriate for consideration, or the casting of votes, by the Members, and are not within the powers or duties vested exclusively in the Master Board under the Master Governing Documents, together with such other items and topics, if any, which the Master Board deems appropriate for the Members' consideration.

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

c. The Master Board shall include "Business Involving the Chester County Water Resources Authority (CCWRA)" on every annual meeting agenda. The CCWRA reserves the right to waive its appearance at the annual meeting by notifying the Secretary of the Master Board. Further, the CCWRA may request to be placed on the agenda of any other special or general meeting through written request to the Secretary at least 60 days prior to the meeting.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Master Association, or by majority vote of the Master Board, or upon written request of not less than fifty (50%) percent of the Members then in good standing and entitled to vote at a meeting. The Secretary shall consult with the Master Board and fix the time, date and place of the Special Meeting to be held not more than sixty (60) days from the date of receipt of the Members' request. The Master Board shall adopt and include in the notice of the Special Meeting given to each Member the agenda and meeting rules and procedures for the Special Meeting, including thereon all items and topics set forth in the Special Meeting request

received from the Members which are appropriate for consideration, or the casting of votes, by the Members, and which are not within the powers and duties vested exclusively in the Master Board under the Master Governing Documents, together with such other items and topics, if any, which the Master Board deems appropriate for the Members' consideration.

Section 3. Meeting Notice. Notice of every meeting of the Members shall be transmitted to each of the Members by the Secretary of the Master Association. The Secretary must also notify the representative of the Chester County Water Resources Authority (CCWRA) of every meeting. The Secretary may utilize the services of the Master Association's Community Manager, and/or an administrative assistant or Assistant Secretary, if any, to assist in the preparation, service, transmission and/or delivery of meeting notices.

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

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

c. Notice shall be deemed given when hand delivered to the Member's Unit if the Member resides in his or her Unit, and seventy-two (72) hours after the notice is deposited in the United States mail, first class or express postage prepaid, or transmitted by any other method permitted under the NPC, postage prepaid, addressed to the Member in accordance herewith.

d. Notice may also be given to a Member by e-mail or facsimile transmission.

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

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

g. Notice of any Annual, General or Special Meeting shall be deemed to have been given and received by each Member who attends or is represented at any Annual, General or Special Meeting of the Members.

h. Any Member who submits a mail-in ballot, or who appears or is represented by a proxy holder at any Annual, General or Special meeting, or participates in the meeting for any purpose other than to protest absence of receipt of notice of the meeting, shall be deemed to have waived any defect in or absence of notice, and any delay or irregularity in the notice the Member received.

i. A Member who appears or is represented by a proxy holder at any meeting to protest the absence of receipt of notice of the meeting, any defect in the notice, or any delay or irregularity in the notice the Member received, must provide the Secretary, the President, or the person presiding at the meeting, with written notice of the Member's protest before any determination of the existence of a quorum is made, or the protest will be deemed waived, and the Member will be deemed to be present for purposes of determining the existence of a quorum.

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

k. If any vote of the Members is to be conducted at a meeting, then the notice may also include proxy forms and mail-in ballots. The Secretary must prepare the proxy forms and mail in ballots.

l. Notice shall be given to the representative of the CCWRA via regular mail, special carrier, or hand delivery to **601 Westtown Road, Ste. 260, West Chester, PA 19380**, or via facsimile to 610-344-5401. The representative of the CCWRA is a non-voting member and thus, the notice shall not include proxy forms or mail-in ballots.

ARTICLE VI **QUORUM**

Section 1. Quorum Calculation. The presence at any Annual, General or Special Meeting of the Members entitled to cast twenty (20%) percent of the votes in the Master Association, excluding the votes of any Members whose good standing status has been suspended, shall constitute a quorum for any action, except as may otherwise be provided in these Master Bylaws, the Articles of Incorporation, the NPC or the Master Declaration. All proxies, and if mail-in balloting is authorized by these Bylaws, then mail-in ballots cast by Members, shall be counted toward the calculation of a quorum. The Members present at a duly organized meeting may continue to do business until the adjournment thereof, notwithstanding the withdrawal of enough Members to leave less than a quorum.

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

a. In the event the meeting must be adjourned again, those Members who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of taking action upon any resolution or other matter set forth in the notice of the meeting, if notice of such second adjourned meeting, stating that those Members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter

is given to each Member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the date of the second adjourned meeting.

b. All proxies and mail-in ballots submitted to the Master Association by Members for use at the first scheduled meeting date shall remain valid for use in quorum calculations and balloting at the adjournments thereof, unless they are revoked before any adjourned meeting is called to order. Members who have not submitted proxies or mail-in ballots for the first scheduled adjourned meeting may participate in the adjourned meetings, and be deemed present for purposes of quorum calculations, by submitting proxies or mail-in ballots for use or casting at any adjourned meeting, but the proxies or mail-in ballots must be delivered to the Secretary in accordance with the procedures established in the Article entitled "Voting Procedures."

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

ARTICLE VII **VOTING PROCEDURES**

Section 1. Voting at Meeting. Members who are present at a meeting may vote in person by show of hands or written ballot, as the Master Board may establish incident to the adoption of meeting rules and procedures.

Section 2. Proxies. A Member who is not present at a meeting may authorize any Master Board member or Officer, or another Member of the Master Association, to act for them by granting a written proxy, or by granting a written directed proxy for any issue being brought to a vote before the Members at any Meeting. The Secretary must prepare all proxy forms, and provide proxies to the Members together with the meeting notices and agendas. All proxies must be in a form prepared by, or at the direction of, the Secretary. All proxies must be received by the Secretary by mail or hand delivery not less than twenty-four (24) hours prior to the start of the meeting at which the proxies are to be exercised, or they shall be null and void for all purposes. Proxies, which are not in the form prepared by or at the direction of the Secretary, shall be null and void for all purposes.

Section 3. Mail-In Balloting. The Members may vote on any question or issue regarding the amendment of the Master Governing Documents submitted to the Members, by mail-in ballot. The Secretary must prepare and provide all mail-in ballot forms to the Members together with the meeting notices and agendas. All mail-in ballots must be in a form to be prepared by, or at the direction of, the Secretary. Mail-in ballots must be received by the Secretary not less than twenty-four (24) hours prior to the meeting at which the mail-in ballot is intended to be cast or they shall be null and void for all purposes. Mail-in ballots, which are not in the form prepared by, or at the direction of, the Secretary, shall be null and void for all purposes.

Section 4. Proxy Details. Proxies are revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice of revocation thereof has been given to the Secretary or the person presiding over a meeting of the Master Association.

a. No proxy shall be valid after eleven (11) months from the date of its execution.

b. A proxy shall automatically terminate upon suspension of a Member's good standing status due to the Member's failure to pay any Assessment, liened Assessment, fee, fine, cost, expense, interest, late fee, court costs or attorneys' fees due to the Master Association, and for any breach or violation of the Governing Documents.

c. Directed proxies may be utilized if approved by the Master Board in adopting the meeting agenda and voting rules and procedures.

d. Members may not grant a proxy and cast a mail-in ballot on the same amendment question. If a proxy is granted and a mail-in ballot is cast by a Member on the same amendment question, then the proxy will be deemed void, and the mail-in ballot only shall be used. However, if a proxy is granted and a mail-in ballot is cast by a Member and the mail-in ballot does not contain a vote for any issue or issues on the agenda for the meeting, then the proxy will be deemed to be valid for only those issues upon which the Member has not cast a mail-in ballot, and the proxy may be exercised for those issues only.

Section 5. Voting Rules and Procedures. In preparation for any Annual, General or Special meeting of the Members, the Master Board may adopt voting rules and procedures for the meeting, which may include voting procedures authorizing voting by the Members by mail-in ballots on matters other than amendments of the Master Governing Documents.

ARTICLE VIII

CONDUCT OF MEETINGS

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

Section 2. Presiding Officer. The President of the Master Board of Directors shall preside at all meetings of the Members, unless the President is absent, or there is a vacancy in the office of the President, in which case the Vice-President shall preside at the Meeting.

Section 3. Preservation of Order. The President, or the Master Board by majority vote, shall call all motions for the vote of the Members. The President, or the Master Board by majority vote, shall have the power to close debate on, or table, any questions, motions or topics pending

before the Members, and where necessary to preserve order, to direct that any Member, or Members, who may become disruptive of the business of a meeting of the Members to leave the meeting.

Section 4. Tellers. In advance of any meeting of the Members at which a vote of the Members will be conducted, the Master Board may appoint a Teller, or three (3) Tellers, who shall be three (3) disinterested Members, to count the Members' votes.

Section 5. Executive Session. Except as may now or hereafter be limited or prohibited by prevailing law, the Master Board shall have the power to recess a meeting of the Members and to meet in an executive session to review and consider confidential matters.

Section 6. Minutes. The Secretary shall take and keep minutes of all meetings of the Master Board and the Members, recording therein all resolutions adopted by the Master Board or the Members. The Secretary may be assisted by an assistant secretary and the Community Manager in the taking and keeping of the minutes. The minutes shall be kept in the Master Association Book.

ARTICLE IX

MEMBERS' OBLIGATIONS AND REQUIREMENTS

Section 1. Membership Obligations. Every Member is irrevocably obligated to perform, and to continue to perform throughout the term of their membership, all the duties and obligations imposed upon Members by the Master Governing Documents, which obligations and duties shall include, but are not limited to, maintenance of the Members' Unit and the payment of Assessments, liened Assessments, fees, fines, costs and charges, and full and prompt compliance with the Master Governing Documents. Upon accepting and recording a deed to a Unit, and by the acceptance of election or appointment as an officer or committee member of the Master Board, a Member will be deemed to have received notice of all of the covenants, restrictions, rules, regulations and procedures established in the Master Governing Documents, to have ratified them, and to have agreed to comply with them.

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

Section 3. Good Standing and Membership Rights and Privileges. A Member in good standing is entitled to exercise and enjoy the Member's membership rights and privileges, including, but not limited to, the powers to vote, stand for appointment to any committee, and/or use and enjoy the Master Association's Common Facilities. A Member will be in good standing if the Member's membership rights have not been suspended by the Master Board.

Section 4. Suspension of Membership Rights and Privileges. A Member's good standing status may be suspended by the Master Board. Suspension of a Member's good standing status will automatically result in a suspension of the Member's membership rights and privileges.

a. A Member's good standing status may be suspended if the Master Board determines by majority vote that the Member has failed to pay any Assessment, fee, fine, charge, expense, cost of collection, attorneys' fee or any other sum due to the Master Association, and/or that the Member is in material breach of the duties and obligations imposed upon the Member by the Master Governing Documents or any Sub Association's Governing Documents. The Master Board must give written notice to the Member of the suspension of the Member's rights and privileges and the revocation of the Member's good standing status.

b. Upon suspending a Member's good standing status, the Member's membership rights and privileges will be deemed to be automatically suspended for the duration of any period during which any Assessment, fee, fine, charge, expense, cost of collection, attorneys' fee or any other sum which is due to the Master Association from the Member remains unpaid, and/or for the duration of any period during which a Member is in violation of the Master Governing Documents or any Sub Association's Governing Documents.

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

d. The suspension of a Member's membership rights and privileges shall not in any way affect, defer, terminate or otherwise reduce the continuing obligations or duties of that Member under the Master Governing Documents.

e. Without regard for the suspension of a Member's good standing status, only the Member's easements under the Master Declaration for the use and enjoyment of those portions of the Common Facilities and Controlled Facilities other than the streets, driveways and parking lots may be suspended. The balance of the Member's easements may not be suspended, terminated or impaired as a result of the suspension of a Member's good standing status.

f. Until the Member whose good standing status has been suspended pays all Assessments, fees, fines, charges, expenses, costs of collection, attorneys' fees or any other sums due to the Master Association, and/or cures the violation or violations, the Member may not:

(i) Cast votes on any matters presented to the Master Board or the Members for a vote; nor

(ii) Speak at meetings of the Members; nor

(iii) Serve on the Master Board, and Sub Association board or Master Association or Sub Association committee; nor

(iv) Serve as an Officer of the Master Association or any Sub Association;
nor

(v) Stand for nomination or appointment to the Master Board, any Sub Association board or any committee.

g. A Member who has cured the violation or delinquency, which has resulted in the suspension of the Member's good standing status, may petition the Master Board in writing at any time for the restoration of the Member's good standing status. The Master Board shall also have the power to restore a Member's good standing status at any time upon its own motion.

h. For so long as the Declarant owns a Unit, the Declarant's status as a Member in good standing may not be suspended without the Declarant's prior consent.

Section 5. Procedure for Suspension of a Member's Good Standing. The procedure for suspension of good standing is as follows:

a. A Member's good standing status may be suspended by majority vote of the Master Board. Upon suspension by majority vote of the Master Board, the Secretary must give the Member determined by the Master Board to be in violation seven (7) days notice, by hand delivery, or first class mail, postage prepaid, of the suspension of the Member's good standing status. The notice must state the nature of the delinquency, violation or violations for which the suspension has been imposed, and advise the Member of the Member's right to make a written request to appear before the Master Board to appeal the suspension. The suspension notice to the Member may be incorporated into any other notice transmitted to the director who represents the Member in accordance with the procedures stated in the Master Governing Documents.

b. A Member may make a written request to appear before the Master Board to appeal the revocation and suspension. The Member's written request to appear before the Master Board to appeal must be served upon the Master Association's Community Manager, or Secretary in the absence of the Community Manager, within seven (7) days from the date of the notice of suspension. If the appeal is received in a timely manner, then the Secretary will schedule an appeal hearing, and all parties shall proceed in accordance with the applicable due process provisions of the Master Governing Documents.

c. If, prior to any appeal hearing, the delinquency, violation or violations are fully cured, as determined by the Master Board, then the Master Board may terminate the suspension, but the Master Board may impose a fine for the violation or breach, and/or levy a Special Assessment against the Member for any costs or fees incurred by the Master Board, including reasonable attorneys' fees, to obtain the said cure.

d. The Member, and the Master Association, may be represented by counsel at the hearing.

e. If a Member appeals a suspension to the Master Board, but does not wish to participate in a hearing, then the Member may present a written appeal stating the reasons why the

Member is appealing to the Master Board, all defenses to the suspension, and all action taken by the Member to cure the delinquency, violation or violations of the Master Governing Documents, and requesting the Master Board to take action to determine whether the violation has been fully cured, and to restore the Member's good standing status. The Master Board may act upon the written appeal or it may schedule a hearing to consider the Member's appeal. The Master Board must provide the Member with notice of the action taken in response to a written appeal within fifteen (15) days after receipt of the Member's written appeal. If the Master Board fails to notify the Member of the action taken within the fifteen (15) day time period, the Member's good standing status is automatically restored.

f. Procedures before the Master Board on any hearing with respect to any Member's good standing status will be conducted by the Master Board in accordance with such Rules and Regulations and/or procedures as may be adopted by the Master Board.

ARTICLE X **MASTER BOARD**

Section 1. Number. The affairs of the Master Association shall be managed by a Master Board of Directors (the "Master Board"). During the Declarant Control Period the Master Board will initially be comprised of not more than three (3) natural individuals appointed by the Declarant. Not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Units which may be built to Owners other than the Declarant, the Board shall be expanded to a total of four (4) members, and one member of the Board must be elected by the Members other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be built to Owners other than the Declarant, the Board shall be expanded to a total of five (5) members, and one additional member of the Board must be elected by the Members other than the Declarant. The two members elected to the Master Board by the Members other than the Declarant must be Owners of Units, and they must both be at least eighteen (18) years of age.

a. Within sixty (60) days after the sale of seventy-five percent (75%) of the Units, all of the members of the Master Board, including the members appointed by the Declarant and the elected Master Board members, must resign.

b. Within sixty (60) days after the sale of seventy-five percent (75%) of the Units, the Declarant will advise the Master Association and the presidents of the boards of both of the Sub Associations then comprising the Property that control of the Master Board has passed, and the presidents of the boards of both of the Sub Associations shall become members of the Master Board. In addition, a meeting of the Members of the Master Association will be called to elect three (3) additional members of the Master Board. The three (3) members elected to the Master Board by the Members of the Master Association must be Owners of Units, at least eighteen (18) years of age and in good standing. From that time forward, the membership of the Master Board shall be, and shall remain, at all times, five (5) members. The Master Board shall be comprised of the presidents of the boards of both the Sub Associations, such that each of the two Sub Associations shall have one representative who shall serve as a director and member of the Master Board, plus three additional members elected by the Members of the Master Association.

c. Upon the termination of the Declarant Control Period, the Declarant shall be deemed to be, and to hold status as, a Member of the Master Board until such time as the Declarant no longer owns any property subject to the Master Declaration. The Declarant shall hold the option to appoint or elect a representative to serve on the Master Board in the place of the Declarant.

d. The Declarant shall be entitled to receive written notice of all meetings of the Master Board, and to have a representative attend all meetings of the Master Board, until such time as the Declarant no longer owns any property subject to the Master Declaration.

e. The Declarant shall at all time retain the exclusive and continuing right and power to select and appoint its representatives.

Section 2. Status of Master Board Members. Neither the Master Association, nor the Master Board or any Officer of the Master Association, shall have any duty or obligation to verify or question the bona-fides of any president representing a Sub Association, nor to verify the presidency of any director representing a Sub Association. Neither the Master Association, nor the Master Board or any Officer of the Master Association, shall have any duty or obligation to verify or confirm that the president representing a Sub Association has followed any policies, instructions or directions the Sub Association may have given to its representative.

Section 3. Term of Office. After the Declarant Control Period the term of office of each Master Board member shall be deemed to be one (1) year; but no Master Board member who is the president of a Sub Association may continue to serve on the Master Board after the person's term of service as the president of his or her Sub Association board ends. A member of the Master Board who is no longer the president of his or her Sub Association board shall be deemed to have automatically resigned and forfeited his or her seat on the Master Board in favor of the new president of the board of the Sub Association.

Section 4. Fiduciary Status and Standard of Care. The members of the Board shall stand in a fiduciary relationship to the Master Association. The Board members must exercise their powers and perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Master Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In exercising its powers and performing its duties, the Board may consult with and rely upon opinions, information, guidance or reports received from the Community Manager, accountants, architects, engineers, legal counsel and similar professionals, as well as committees and such other persons, including Board members, as permitted by Section 5303(a) of the Act and Section 5712(a) of the NPC.

ARTICLE XI

SUCCESSION, RESIGNATION AND REMOVAL OF MASTER BOARD MEMBERS

Section 1. Succession of Master Board Members. Except for members of the Master Board appointed by the Declarant during the Declarant Control Period, the presidents of the Sub Association boards shall automatically succeed to the Master Board upon being elected or

appointed as the president of a Sub Association board in accordance with such policies, procedures or governing documents as may apply to the Sub Associations, subject to the controlling provisions of the Master Governing Documents. The term of office of elected Board members shall begin upon the conclusion of the meeting of the Members of the Master Association at which they are elected to serve on the Master Board

Section 2. Resignation. Any member of the Master Board may resign at any time, for any reason, upon notice to the Secretary, or in the Secretary's absence, to the Master Board President. If a Sub Association president resigns, then the Secretary shall give notice of the member's resignation to the Sub Association represented by the Board member who resigned, and it shall be the obligation of the Sub Association board to promptly elect a new board president to serve on the Master Board.. Resignations shall be deemed effective immediately upon receipt by the Secretary. After a resignation is received by the Secretary it may not be canceled, retracted or withdrawn. If a member of the Master Board who is the president of a Sub Association resigns, then the Secretary shall give notice of the Board member's resignation to the board of the Sub Association.

Section 3. Deemed Resignations. Upon the unexcused absence of a member from three (3) consecutive meetings of the Master Board, the member shall be deemed to have resigned from his or her position on the Master Board. If a Sub Association president is deemed to have resigned, then the Secretary shall give notice of the member's deemed resignation to the board of the member's Sub Association, and it shall be the obligation of the Sub Association board to promptly elect a new board president to serve on the Master Board. The provisions of this Section 3 shall not be applied to any member of the Master Board appointed by the Declarant without the prior written consent of the Declaration.

Section 4. Vacancies. In the event of the death, resignation or deemed resignation of a Master Board member appointed by the Declarant during the Declarant Control Period, the Declarant shall have the exclusive power to appoint a successor. The successor shall serve until replaced by the Declarant or until the Declarant Control Period terminates. In the event of the death, resignation or deemed resignation of a Master Board member who is the president of a Sub Association, the member's successor shall be the new Sub Association president elected, selected or appointed by the Sub Association. Any vacancy created by the death, resignation or deemed resignation of an elected member of the Master Board shall be filled by appointment by majority vote of the remaining members of the Master Board. A successor appointed by the Board shall only serve out the balance of the term; after which term the appointed Board member may run for election to the Master Board.

Section 5. Removal. Board members appointed by the Declarant during the Declarant Control Period may only be removed and replaced by the Declarant. Any board president serving on the Master Board may be removed from the Master Board at any time, with or without cause, upon notice from the board of the president's Sub Association to the Secretary of the Master Association. The notice of the removal of the Sub Association's president from the Master Board may advise the Master Board of the succession of a new Sub Association board president who will serve on the Master Board as the Sub Association's representative on the Master Board. Elected

members of the Master Board may only be removed from office by a vote of a majority of the Members of the Master Association at a special meeting of the Members of the Master Association.

Section 6. Proxy. In the event that the president representing a Sub Association becomes ill, temporarily unavailable or indisposed due to circumstances beyond his or her control, then if authorized in writing by the board of the Sub Association, another member of the Sub Association board may be authorized to attend and participate in a meeting of the Master Board as the proxy for the absent president, and the proxy may cast votes at the meeting on behalf of the Sub Association in place of the Sub Association's absent president.

Section 7. No Compensation. No member of the Master Board may be compensated for performing his or her duties as a member of the Master Board. However, upon majority vote of the Master Board, the members of the Master Board may be reimbursed the reasonable costs, if any, they may have incurred in the performance of their duties.

ARTICLE XII

MASTER BOARD POWERS

Section 1. Powers of the Master Board. The Master Board shall have authority, power and discretion to exercise all those powers vested in the Master Association, subject to the provisions of the NPC, the Articles of Incorporation, these Master Bylaws, the Master Declaration, and all applicable law, including, but not limited to the NPC and the Pennsylvania Uniform Planned Community Act, 68 Pa. C. S. A. 5101, *et seq.*, and not otherwise specifically vested in the Members in the Governing Documents, together with all such other powers as are appropriate and necessary to conduct the business and affairs of the Master Association in the manner contemplated by the Master Governing Documents. The Master Board's powers shall include by way of example, but not by way of limitation, the following:

a. Administer, manage, maintain, repair, restore, improve and operate the Common Area, Common Facilities, Controlled Facilities and all improvements now or hereafter made or erected thereon; and

b. Appoint, employ and remove at the Master Board's pleasure accountants, architects, attorneys, engineers, managers, professional consultants, agents, servants, employees and contractors, prescribe their duties, fix their compensation, and require of them such security or fidelity bonds, if any, as it may deem necessary or expedient; and

c. Adopt and implement the annual budget of the Master Association, and to make adjustments to, adopt and implement such interim or revised annual budgets as the Master Board may deem necessary during the course of the Master Association's fiscal year, save that the budget must include, but is not limited to, the following:

(i) Common Expenses which shall include, by way of example, and not by way of limitation, estimated amounts for the anticipated costs of maintenance, repair, restoration,

replacement, improvement and operation of the Common Area, the Common Facilities and any improvements now or hereafter constructed or erected thereon; and

(ii) Estimated costs to administer, manage and operate the Master Association; and

(iii) Estimated costs for services of a Community Manager, if any, as well as all other accountants, architects, attorneys, engineers, managers, professional consultants, agents, servants, employees and contractors, and any other advisors or consultants whose services are anticipated to be needed during the course of the fiscal year; and

(iv) Reserves for anticipated major repairs and replacements of the Common Area, the Common Facilities and the improvements now or hereafter constructed or erected thereon; and

(v) Such other Common Expenses as the Master Board may anticipate that the Master Association may incur during the upcoming fiscal year.

d. Adopt and implement the annual budgets of the Sub Associations, and to make adjustments to, adopt and implement such interim or revised annual budgets for one or more of the Sub Associations as the Master Board may deem necessary during the course of any Sub Association's fiscal year, but each Sub Association's annual budget must include, but is not limited to, the following:

(i) Expenses incurred by the Master Association for the Controlled Facilities within the Sub Associations (those portions of certain Units maintained by the Association), and which shall include, by way of example, and not by way of limitation, estimated amounts for the anticipated costs to administer, manage, maintain, operate, remove, renovate, repair and/or replace the Controlled Facilities, and any improvements now or hereafter constructed or erected thereon; and

(ii) Estimated costs to administer, manage and operate the Sub Associations; and

(iii) Estimated costs for services of a Community Manager, if any, as well as all other accountants, architects, attorneys, engineers, managers, professional consultants, agents, servants, employees and contractors, and any other advisors or consultants whose services are anticipated to be needed by the Sub Associations, its Master Board or officers during the course of the fiscal year; and

(iv) Reserves for anticipated major repairs and replacements of the Controlled Facilities and the improvements now or hereafter constructed or erected thereon; and

(v) Such other Common Expenses as the Master Board may anticipate that the Sub Associations may incur during the upcoming fiscal year.

(vi) Expenses the Master Board may anticipate that the Sub Associations may incur during the upcoming fiscal year, after receiving requests from the Sub Association boards for additional or supplementary services on or to its Controlled Facilities; the Master Board shall not be bound by any request for additional or supplementary services it may receive from any Sub Association board; the Master Board may grant a Sub Association board's request for additional or supplementary services to be performed by the Master Association and included in the Sub Association budget for one fiscal year, but the Master Board shall retain the discretion to elect not to have the Master Association perform the additional or supplementary service(s), or to have the Master Association perform different additional or supplementary service(s) as determined by the Master Board, and included in the Sub Association budget, during any subsequent fiscal year.

(vii) Estimated costs received from the Master Association to maintain, repair, and replace certain linear footage of roadways adjacent to controlled facilities within the Sub Associations.

e. Adopt, establish, levy and collect all Assessments, costs, fees, interest, late fees, expenses, charges, Capital Improvement Fees and fines, subject to giving of the due date to the Owners; and to determine in its sole discretion payment due dates, including but not limited to single, monthly, quarterly or semiannual due dates, for all Assessments, charges, interest, fees, late fees, costs, expenses, fines and any other sums due to the Master Association; and

f. Enforce and collect all Assessments, charges, interest, fees, late fees, costs, expenses, fines, Capital Improvement Fees and any other sums due to the Master Association, including all Assessments for the Sub Associations, in accordance with such procedures as may now or hereafter be provided in the Master Declaration, the Rules and Regulations, the Act or applicable law; and

g. Adopt, amend, withdraw, enforce and publish such Rules and Regulations governing the Master Association and/or the administration, maintenance, enjoyment and use of the Property and the personal conduct of the Owners and Occupants on the Property as the Master Board may from time-to-time deem appropriate; and

h. Establish architectural standards, rules and procedures; and

i. The Master Board may, but shall not be obligated to, adopt, amend, withdraw, enforce and publish Rules and Regulations which apply only to attached or detached Units, or which apply only to a Phase or Phases of Units.

j. Levy and collect fines and impose sanctions against the Owners for any failure to pay any Assessment, lien Assessment, charge, interest, fee, late fee, cost, expense, fine, Capital Improvement Fee or any other sum due to the Master Association, and/or for any breach or violation of the Master Governing Documents; and

k. Borrow money on behalf of the Master Association, mortgage the Common Area, the Common Facilities and/or the Controlled Facilities, pledge and/or assign the Master

Association's right to receive future income, including accounts receivable, and/or that part or portion of any and all Assessments due to the Master Association from the Owners necessary to service a debt or obligation; and

l. Purchase, sell, lease, transfer or otherwise convey or dispose of the real and personal property of the Master Association when necessary in furtherance of the purposes of the Master Association, subject to the provisions of the Governing Documents and applicable law; and

m. Suspend an Owner's good standing status for any failure to pay any Assessment, liened Assessment, charge, interest, fee, late fee, cost, expense, fine, Capital Improvement Fee or any other sum due to the Master Association, and/or for any breach or violation of the Governing Documents, in accordance with the procedures established in the Master Bylaws; and

n. File, prosecute, withdraw, settle, compromise, mediate, arbitrate, including binding arbitration if approved by the Master Board, or defend all cause of action in any Court in the name of the Master Association, and in the name of any Sub Association, including violations referred to the Master Board for enforcement action; and

o. Acquire by purchase, gift, bequest, devise, sale, assignment, lease or other conveyance additional real property to be added to the Common Area, Common Facilities and/or Controlled Facilities; and

p. Open, hold, maintain and close in its name alone, or together with a Sub Association, or for the benefit of a Sub Association, such accounts with banks, savings and loans, brokers or other financial institutions as the Master Board may from time-to-time deem necessary and appropriate for deposit of the Assessments and other funds received by the Master Association, including by way of example but not by way of limitation, checking and savings accounts, certificates of deposit and mutual funds; and

q. Waive or grant temporary exceptions to Members or Occupants from the application of, or obligation to comply with, those portions of the Master Governing Documents regarding the use and enjoyment of the Property as may be necessary to obtain or reach "reasonable modifications" and/or "reasonable accommodations" with, or for the benefit of, handicapped persons, as those terms may now or hereafter be defined in the Pennsylvania Human Relations Act or any similar or succeeding statute now or hereafter adopted, to permit full access to, and use and enjoyment of, a Unit or those portions of the Property intended to be open for use by Members or Occupants, subject to the Master Board's power to terminate the waiver or exception when the handicapped Member or Occupant terminates his or her use or occupancy of a Unit; and

r. Grant easements, leases, licenses and concessions through or over the Common Area, Common Facilities and/or Controlled Facilities; and

s. Use and expend sums received by the Association, including, but not limited to, Assessments and all other sums levied against the Unit and/or the Members, for the administration, management and operation of the Master Association, and for the maintenance,

management, repair, restoration, improvement and operation of the Common Area, Common Facilities, Controlled Facilities and the improvements now or hereafter constructed and/or erected thereon; and

t. Hold, maintain and expend reserve funds adequate for the anticipated major repairs and replacements of the Common Area, the Common Facilities, the Controlled Facilities and those portions of the Property for which the Master Association bears any maintenance, repair or replacement obligation; and

u. Pay all taxes and assessments, if any, levied or assessed against the Master Association, the Common Facilities and/or the Controlled Facilities; and

v. Contract for professional community management services for the Master Association and all of the Sub Associations upon terms and conditions determined to be acceptable by the Master Board and consistent with the applicable provisions of the Governing Documents.

ARTICLE XIII **MASTER BOARD DUTIES**

Section 1. General Duties of the Master Board. It shall be the duty of the Master Board to act as fiduciaries for the Master Association in the administration, operation and management of the business and financial affairs of the Master Association and the Property. The Master Board shall faithfully perform the duties and obligations of the Master Association as set forth in the Articles of Incorporation, these Master Bylaws and the Master Declaration.

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

a. Cause to be kept a complete record of all of its acts and all affairs of the Master Association.

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

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

d. Supervise all officers, agents, servants and employees of the Master Association, including, but not limited to, the Master Association's accountant, architect, engineer, legal counsel and/or Community Manager, and to see that their duties are properly performed.

e. Issue for the Master Association, and for the Sub Associations, or cause an appropriate officer, or the Community Manager, to issue, at the request of any Member or first

mortgagee, the Resale Certificate required to be issued under the Master Declaration, prevailing law and any Rules and Regulations adopted by the Master Board in preparation for the sale, conveyance or other transfer of the title to a Unit.

f. Administer, operate, maintain, repair, restore, develop, manage, insure and improve the Common Area, the Common Facilities, the Controlled Facilities and all improvements thereon in accordance with the Governing Documents.

g. Promptly publish rules and regulations adopted by the Master Board to the Members.

h. Levy, assess, enforce and collect all Assessments, costs, fees, fines, expenses, interest or charges provided for the Master Association, as well as the Sub Associations, as in the Master Governing Documents.

i. Obtain such insurance as is required herein or in the Master Declaration, and to hold the proceeds of any insurance claim for use in the manner required by the Master Declaration and applicable law.

j. Open and maintain accounts with such banks and/or financial institution as the Master Board may deem appropriate to the financial needs and circumstances of the Master Association and the Sub Associations. In selecting all accounts in which funds are held as reserve or contingency funds for future major repairs, replacements and expenses, the Master Board shall exercise only that degree of judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their own funds, considering the probable income to be derived therefrom, as well as the probable preservation and safety of capital.

k. Enforce compliance by the Members, Owners and Occupants with the Master Governing Documents, and the governing documents of a Sub Association when enforcement matters are referred to it by the board of a Sub Association.

l. Adopt annual budgets for all Common Expenses of the Master Association and all of the Sub Associations, and publish the annual budget to the Members not less than thirty (30) days prior to the start of each fiscal year of the Master Association.

m. All such other duties as are appropriate and necessary to conduct the business and affairs of the Master Association and the Sub Associations in the manner contemplated by the Master Governing Documents.

ARTICLE XIV
MASTER BOARD MEETINGS

Section 1. Meetings of the Master Board. The Master Board must hold an annual meeting during each calendar year on a day, date and time chosen by majority vote of the Master Board. The Master Board may also hold such additional meetings throughout the year as the Master Board may deem necessary and appropriate to the performance of its duties and obligations, but not less than one meeting of the Master Board per quarter. Notice of the annual meeting of the Master Board shall be given to the Members. The annual meeting of the Master Board may be held at such place within the Commonwealth of Pennsylvania as the Master Board shall determine by majority vote.

a. Regular meetings of the Master Board may be held without notice to the Members. Regular meetings shall be held as called by the Master Board President, or by vote of a majority of the members of the Master Board. Regular meetings of the Master Board shall be held at such dates, times and places as the members of the Master Board shall determine, or if not determined by the members, then by the President of the Master Board.

b. Special meetings of the Master Board may be held without notice to the Members. Special meetings may be held at any time, upon not less than three (3) days notice in advance thereof to the Master Board members, unless notice is waived by the Master Board members. Special meetings of the Master Board shall be held at such dates, times and places as a majority of the members of the Master Board shall determine, or if not determined by a majority of the members, then by the President of the Master Board.

c. Notice of a regular and/or special Master Board meeting shall be deemed to have been given to, and received by, the Master Board members if the meeting is scheduled on the record, during the course of any Master Board meeting. Notice of a regular Master Board meeting shall also be deemed given if conveyed to the Master Board member personally by telephone or by hand delivery of notice, or by posting on the Master Board member's Unit, or by notice from the Master Board Secretary by first class mail, postage prepaid, addressed to each Master Board member's Unit, place of business or other address provided by the Master Board member to the Secretary.

d. The appearance of a Master Board member at any Master Board meeting, and/or a Master Board member's participation in a Master Board meeting for any purpose other than challenging lack of notice, shall be deemed to be a waiver of notice, and/or any defect in the notice.

e. Except as may now or hereafter be mandated by law, all meetings of the Master Board other than the annual meeting shall be closed meetings, but the Master Board may open any Master Board meeting to attendance by any Member, the members of a Sub Association's board of directors, the Master Association's agents, servants, employees, contractors and professional advisors or consultants, and any other person authorized or requested by the Master Board to attend a Master Board meeting, but the President, or the Master Board by majority

vote, may recess a meeting and call the Master Board into executive session at any time during the course of a meeting.

f. The members of the Master Board shall have the power to take action on behalf of the Master Association in the absence of a meeting by obtaining the written approval of the action by sixty-seven (67%) percent of all of the Members of the Master Board. Any action so taken shall be binding upon the Master Association in the same manner, and be an act of the Master Association in the same manner, as if done at a meeting.

Section 2. Quorum of Master Board. A quorum for Master Board action shall consist of a majority of the members of the Master Board at the time the vote or action is proposed to be taken.

Section 3. Executive Session. Except as may now or hereafter be limited or prohibited by prevailing law, the Master Board may meet in executive session, without the Members being present, to review, consider, deliberate and vote upon confidential matters, including by way of example, but not by way of limitation, the following: litigation matters, suspension of Member's good standing status; Assessment delinquencies; violations of the Master Governing Documents or any Sub Association's Governing Documents; the appointment, compensation and retention of agents, servants, employees and/or the Community Manager; and the appointment and retention of committee members. Without regard for the foregoing, the Master Board shall memorialize all resolutions adopted and decisions made in executive sessions in the meeting minutes. If requested by the Master Board, then professional consultants, such as accountants, architects, attorneys and engineers, may attend Executive Sessions.

ARTICLE XV TELECONFERENCE

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

ARTICLE XVI OFFICERS

Section 1. Officers. The Officers of the Master Association shall consist of a President, a Vice President, a Secretary, and a Treasurer. The Declarant may appoint such persons as the Declarant may deem appropriate as the Officers during the Declarant Control Period. After the Declarant Control Period ends, only members of the Master Board may serve as the President or Vice President. The positions of the Secretary and/or the Treasurer may be held by Master Board members or any other person appointed by the Master Board to be the Secretary or Treasurer,

except that the Secretary and the Treasurer must be Owners and over the age of eighteen (18). After the Declarant Control Period ends, no Master Board member may hold more than one Officer position.

Section 2. Election of Officers. After the Declarant Control Period ends, the Officers shall be elected at the annual meeting of the Master Board by majority vote of the members of the Master Board. Officers may be removed, replaced and/or reassigned at any time, with or without cause, by majority vote of the Master Board.

Section 3. Terms of Office. After the Declarant Control Period ends, all Officers shall hold office for one (1) year terms; but the term of office of an Officer who is a member of the Master Board may not extend beyond the Officer's term as a member of the Master Board.

Section 4. Resignation and Removal. Any Officer may resign at any time by giving notice to the Secretary. The Secretary may resign by giving notice to the President. Resignations shall take effect immediately upon receipt by the Secretary, or if the Secretary is resigning, then upon receipt by the President. Resignations may not be canceled, retracted or withdrawn.

Section 5. Vacancies. A vacancy in any Officer position shall be filled by majority vote of the Master Board members as soon after the vacancy is created as possible.

Section 6. President. The President of the Master Board shall preside at all meetings of the Master Board and the Members. The President shall see that decisions, policies and resolutions of the Master Board are carried out. The President shall also sign agreements, contracts, notes, leases, mortgages, deeds, checks in excess of \$10,000.00, and all other written instruments on behalf of the Master Association. Further, the President shall have the special responsibility to work with the Chester County Water Resources Authority (CCWRA) to resolve any issues regarding the sediment pool, as referenced in Exhibit "H" to the Public Offering Statement, No. 20, and in any other subsequent recordings, and to act as a liaison between the CCWRA and the Members of the Master Association in resolving any such issues. The President shall be an ex-officio, non-voting member of all committees, if any, appointed by the Master Board. The President may sign checks on behalf of the Master Association in the absence of the Treasurer, or if there is a vacancy in the office of the Treasurer. The President shall possess all the powers and duties ordinarily attributable to the chief executive officer of a Pennsylvania Non-Profit Corporation.

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

Section 8. Secretary. The Secretary shall have charge of, and shall keep and record, or cause to be kept and recorded, the votes and minutes of the proceedings of all meetings of the Master Board and the Members in a book to be kept for the purpose. The Secretary shall also keep: the records of the Master Association; a membership book containing the name and address of each Member, and record therein the fact and date of each termination of membership and the names and addresses of each new Member; the corporate seal of the Master Association and affix it on all documents requiring said seal. The Secretary shall also: give Notice of meetings of the

Master Board and of the Members; prepare all ballot and proxy forms; have charge of, and shall carry-out, receive, transmit and keep records of all correspondence, notices, and communications between the Master Association, its Members, the Master Board and all other persons, partnerships, corporations, government agencies and bodies, and other entities who may correspond or do business with the Master Association, including, but not limited to, notices to the Members of the approval of any budget and any changes thereto, as well as any capital expenditures approved by the Master Board, if any, as may be required by law. The Secretary shall also perform such other duties as may be assigned from time-to-time by the Master Board. In performing the aforesaid functions and duties, the Secretary may act by and through, and with the aid and assistance of, an assistant secretary, or the Master Association's Community Manager, as may be authorized by the Master Board.

Section 9. Treasurer. The Treasurer shall have charge of, and shall receive and deposit into accounts designated by the Master Board, all monies of the Master Association, and disperse such funds as directed by the Master Board. The Treasurer shall: sign notes and checks; keep or cause to be kept, correct, complete and proper books of account; cause an annual audit of the Master Association's books to be made by an independent public accountant at the completion of each fiscal year, which audit must contain a balance sheet and a statement of revenues and expenses for the Master Association; and make the balance sheet, statement of revenues and expenses and audit available, upon request, to each Member of the Sub Association after the Master Board approves the audit. The Treasurer shall prepare an annual budget for review and adoption by the Master Board, together with an annual statement of income and expenses. The Treasurer shall present the annual budget adopted by the Master Board and the annual statement to the Members at the Annual Meeting. In performing the Treasurer's functions and duties, the Treasurer may act by and through, and with the aid and assistance of, an assistant treasurer, committees appointed by the Master Board, and/or the Master Association's Community Manager, as may be authorized by the Master Board.

a. The Treasurer shall also hold office as the Treasurer of each and all of the Sub Associations. The Treasurer shall have charge of, and shall receive and deposit into accounts designated by the Master Board, all monies received by, for and on behalf of the Sub Associations, including, but not limited to, all Assessments received, and disperse such funds as directed by the Master Board. On behalf of the Sub Associations the Treasurer shall also keep, or cause to be kept, complete and proper books of account; cause an annual audit of the Sub Associations' books to be made by an independent public accountant at the completion of each Sub Association's fiscal year, which audit must contain a balance sheet and a statement of revenues and expenses for the Sub Association; and make the balance sheet, statement of revenues and expenses and audit available, upon request, to each Member of the Sub Association after the Master Board approves the audit. The Treasurer shall prepare an annual budget for the Sub Association for review and adoption by the Master Board, together with an annual balance sheet and statement of Sub Association income and expenses. The Treasurer shall provide the annual budget to the Sub Association board members after it is adopted. The Treasurer shall present the annual budget for the Sub Association and the balance sheet and statement of annual revenues and expenses for the Sub Association to the Members of the Sub Association at the Sub Association's Annual Meeting. In performing the aforesaid functions and duties, the Treasurer may act by and through, and with the aid and

assistance of, an assistant treasurer, the Community Manager, or an accountant, as may be authorized by the Master Board.

Section 10. No Compensation. No Officer may be compensated for performing his or her duties as an Officer. However, upon majority vote of the Master Board, Officers may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties. Except for the compensation received by the Community Manager in accordance with the Community Manager's contract with the Master Association, no assistant to the secretary or treasurer may be compensated for performing his or her duties as an assistant to the secretary or treasurer. However, upon majority vote of the Master Board, an assistant to the secretary or treasurer may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties.

ARTICLE XVII **COMMUNITY MANAGER**

Section 1. Community Manager. The Master Board shall have the discretion and power to appoint, employ and contract for the services of a Community Manager for the Master Association. Any Community Manager who may be appointed, employed or contracted to manage the Master Association shall also be appointed, employed and contracted by the Master Board under the same contract to manage all of the Sub Associations. The Master Board shall have the power to delegate to the Community Manager such powers, duties and responsibilities as the Master Board may deem appropriate and necessary for the Community Manager to effectively administer and manage the day-to-day affairs of the Master Association and all of the Sub Associations, subject to the following limitations:

- a. The Community Manager shall be a professional agent or corporation, experienced in managing community associations, which or who is selected by the Master Board.
- b. The Community Manager must be employed or retained under the terms of a written contract.
- c. The Community Manager's contract must contain an acknowledgment of the Community Manager's receipt of the Master Association's Governing Documents, as well as all of the Sub Associations' Governing Documents, an acknowledgment that the Master Association's Governing Documents control over all of the Sub Associations' Governing Documents, and a statement that the Community Manager agrees to act at all times by, and on behalf of, the Master Association and the Sub Associations in accordance with their respective Governing Documents.
- d. No contract with any Community Manager shall extend for an initial period in excess of twenty-four (24) months. However, the contract may contain optional renewal periods not in excess of twelve (12) months, subject to the condition that the Community Manager must provide the Master Board with written notice of the renewal date, and any proposed changes to the Community Manager's contract, at least sixty (60) days prior to the renewal date, and give the Master Association at least thirty (30) days to accept or reject the renewal.

e. The Community Manager must maintain commercial general liability insurance and errors and omissions' insurance policies with coverage limits deemed sufficient by the Master Board, throughout the duration of the Community Manager's contract.

f. If requested by the Master Board, then the Community Manager must maintain fidelity bond or other insurance coverage for the Community Manager and all of the Community Manager's agents, servants, employees and contractors who will have access to the Master Association's accounts or funds, with coverage limits deemed sufficient by the Master Board, throughout the duration of the Community Manager's contract with the Master Association.

Section 2. Indemnification. The Community Manager must agree to indemnify and hold the Master Association harmless from acts by the Community Manager, if any, which represent gross negligence, intentional misconduct, are contrary to the Master Board's instructions, or are inconsistent with the provisions of the Governing Documents. The Community Manager may name the Master Association and the Sub Associations as additional insureds on the Community Manager's insurance policies. If the Community Manager requires the Master Association to indemnify the Community Manager, then the Master Association may name the Community Manager as an additional insured on its insurance policies.

Section 3. Termination of Manager's Contract. All Community Manager contracts shall be terminable by either party upon not less than ninety (90) days notice without cause, and upon not less than thirty (30) days notice with cause.

Section 4. Community Manager's Functions. Under and subject to the contract with the Community Manager, the Master Board and the Sub Association boards may assign their day-to-day administrative and supervisory functions to the Community Manager. But with the exception of providing administrative support to the Master Board and the Sub Association boards, the functions assigned to the Community Manager may not include the Master Board's, nor any Sub Association board's (as may be applicable), powers and duties to:

- a. Call Annual, General, and Special Meetings of the Members.
- b. Enter into contracts for services, supplies or materials requiring the Master Association to pay any amount in excess of a total of \$10,000.00.
- c. Adopt, levy and assess Assessments.
- d. Adopt and publish the annual budget and/or amended budgets.
- e. Adopt, amend, withdraw, enforce or publish rules and regulations.
- f. Impose fines and/or revoke a Member's good standing status and suspend a Member's membership rights and privileges or committee chairpersons.
- g. Appoint committees or committee chairpersons.

- h. Open or close bank accounts, or accounts with other financial institutions, except upon first receiving written approval from the Master Board.
- i. Negotiate, endorse or deposit any check or instrument received by, or on behalf of, the Master Association or Sub Associations, except in accordance with procedures established by the Master Board.
- j. Conduct hearings and due process procedures.
- k. Establish any policies or perform any functions requiring the exercise of the Master Board's, or any Sub Association Board's, discretion and judgment.

ARTICLE XVIII **COMMITTEES**

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

a. The President may appoint, reappoint, assign or change the function and duties of, change the size of, suspend or terminate such select committees as the President may from time-to-time deem desirable to assist the President in carrying out any function, duty or power of the President.

b. The Master Board shall, under all circumstances, retain the power to allocate funds, resources and meeting space for the use of select committees.

Section 2. Appointment of Chairs. Committee chairpersons, if any committees may be appointed, shall be appointed by the President. All committee chairpersons shall serve at the pleasure of the President, and the President may appoint, reappoint, reassign, remove, change the functions and duties of, or terminate committee chairpersons at any time, for any reason. However, a committee chairperson may also be removed by a vote of sixty-seven percent (67%) of the Master Board at any time; a committee chairperson removed by a vote of the Master Board may not be reappointed by the President.

Section 3. Reports. From time-to-time the President or the Master Board may request or direct, and any committee shall thereafter research, prepare or provide as requested or directed by the President or the Master Board, reports, proposals, memorandums or opinions. Committees may also provide such other assistance as the President or Master Board may reasonably request.

Section 4. No Compensation. No chairperson or member of any committee shall be compensated for performing his, her or their duties as a chairperson or member of any committee. However, upon majority vote of the Master Board, committee chairpersons or members may be reimbursed the reasonable costs, if any, which they may incur in the performance of their duties.

ARTICLE XIX
ARCHITECTURAL CONTROL PROCEDURES

Section 1. No Architectural Changes without Approval. No Member may construct or make any change, modification, repair, renovation, reconstruction, replacement, improvement or addition to the Common Area, nor to the improvements now or hereafter erected on the Common Area, nor to the Common Facilities or Controlled Facilities. No Member may construct or make any change, modification, repair, renovation, reconstruction, replacement, improvement or addition to any exterior part, portion or surface of a Unit without first obtaining written architectural approval from board of the Sub Association in which the Owner's Unit is located.

Section 2. Architectural Review. The board of each Sub Association shall receive, review and determine architectural applications in accordance with the procedures stated in the Master Declaration, this Article and any Rules and Regulations which may be adopted by the Master Board, as well as the Sub Association declaration. The provisions of the Master Governing Documents regarding architectural control and architectural control procedures shall control over the contrary provisions, if any, of a Sub Association's Governing Documents.

Section 3. Master Board's Architectural Appeal Functions. The Master Board shall hear appeals from the decisions of the Sub Association boards on initial determinations of architectural applications.

a. In all appeals the Master Board shall have the authority to apply the Master Declaration and the Master Architectural Rules and Regulations, as well as the Sub Association Declaration and Sub Association Architectural Rules and Regulations, but the Master Declaration and the Master Architectural Rules and Regulations will control over the conflicting provisions, if any, of a Sub Association's Declaration and/or a Sub Association's Architectural Rules and Regulations.

Section 4. Submission of Architectural Applications and Appeals. Only Owners may submit applications for architectural approval to a Sub Association board. All applications for architectural approval must be submitted to a Sub Association board in writing. Only Owners may submit an appeal of the determinations made by a Sub Association board to the Master Board. All appeals of determinations on applications for architectural approvals made by Sub Association boards must be submitted to the Master Board in writing.

Section 5. Sub Association Board Record. Every Owner who appeals the determination of a Sub Association board to the Master Board must notify the Sub Association board in writing of the appeal, and certify to the Master Board in writing that the Sub Association board has been given written notice of the appeal. The time period for the Master Board to act on an appeal will not begin to run until the Owner gives the Sub Association board written notice of the appeal. Upon receipt of notice of the appeal the Sub Association board may provide the Master Board with the record of the architectural application and determination made by the Sub Association board.

Section 6. Rules and Regulations. The Master Board shall have the power to adopt, amend and/or withdraw from time-to-time, as the Master Board may deem appropriate, such

Architectural Appeal Procedure Rules and Regulations as are not in conflict with the provisions of the Declaration and this Article.

Section 7. Master Board Appeal Review and Decision Procedures. The Master Board may review and make decisions on architectural appeals at any Master Board meeting. The Master Board may impose conditions, restrictions or requirements incident to disposing of any appeal. The Master Board may suggest revisions to an application incident to denying an appeal. An appeal may be submitted in writing, or a hearing may be held by the Master Board.

Section 8. Resubmission of Application. The denial of an appeal by the Master Board shall not bar the Owner from revising and resubmitting an application for architectural approval to a Sub Association board.

Section 9. Decisions on Appeals Final. All decisions of the Master Board on appeals are final and binding upon the Owner who submitted the appeal and the board of the Sub Association in which the Owner's Unit is located.

ARTICLE XX

MASTER ASSOCIATION BUDGET AND RESERVES

Section 1. Master Association Annual Budget. The Master Board shall prepare and adopt the annual budget for each fiscal year of the Master Association not later than sixty (60) days before the expiration of the fiscal year. The annual budget shall take into account the estimated Master Association Common Expenses, and any other anticipated cash requirements of the Master Association for the forthcoming year, as deemed appropriate or necessary by the Master Board. The annual budget shall also take into account the estimated net available cash income for the year from all sources, including Assessments and fees, if any, from the operation or use of the Common Area and Common Facilities. The Master Board shall publish the annual budget to the Members within thirty (30) days after it is adopted.

Section 2. Sub Association Annual Budgets. The Master Board shall prepare and adopt the annual budgets for the fiscal years of each of the Sub Associations not later than sixty (60) days before the expiration of the fiscal year of each of the Sub Associations. The annual budgets of the Sub Associations shall take into account the estimated Sub Association Common Expenses for each Sub Association, and any other anticipated cash requirements of each of the Sub Associations for the forthcoming year, as deemed appropriate or necessary by the Master Board. The Master Board shall also take into account the maintenance, repair, replacement and restoration services, if any, which the Master Association may provide to, for or upon the Units in a Phase of the Sub Association, as well as any other services provided by the Master Association which benefit the Sub Association or the Units in a Phase of the Sub Association, including, but not limited to, any services requested by the Sub Association board and consented to by the Master Board. The annual budgets of the Sub Associations shall also take into account the estimated net available cash income for the year from all sources, including Assessments and fees, if any, from the operation or use of each Sub Association's Common and Controlled Facilities. The Master Board

shall publish the annual budget of the Sub Association to the Members within thirty (30) days after it is adopted.

Section 3. Master Association Reserves. In establishing the annual budget for each fiscal year of the Master Association, the Master Board shall include in the budget an appropriate amount, or amounts, for reserves for anticipated major replacements and repairs of the Common Area, the Common Facilities and the improvements thereon. In preparation for budgeting and funding reserves for the Master Association, the Master Board may from time-to-time, as the Master Board may deem necessary and appropriate, obtain a reserve study for the Common Area, the Common Facilities, and the improvements thereon, and the costs thereof shall be a Master Common Expense.

Section 4. Sub Association Reserves. In establishing the annual budgets for each fiscal year of the Sub Associations, the Master Board shall include in the budgets appropriate amounts for reserves for anticipated major replacements and repairs of the Common and Controlled Facilities and the improvements thereon. In preparation for budgeting and funding reserves for the Sub Associations, the Master Board may from time-to-time, as the Master Board may deem necessary and appropriate, obtain reserve studies for the Sub Association Common and Controlled Facilities and the improvements thereon, and the costs of obtaining the reserve studies shall be Sub Association Common Expenses to be included in the annual budgets of the Sub Associations for which the reserve studies are obtained, or Limited Controlled Facility Expenses, as may be determined by the Master Board.

Section 5. Master Association Budget and Reserve Procedures. In preparing and administering the Master Association's budget, and handling its reserves, the Master Board shall be bound by the following procedures:

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

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

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

disposition of their own funds, considering the probable income to be derived therefrom, as well as the probable preservation and safety of their capital.

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

e. The Master Board shall deliver to all Members copies of each budget approved by the Master Board, as well as notice of any capital expenditure approved by the Master Board, within thirty (30) days after either such approval.

Section 6. Sub Association Budget and Reserve Procedures. In preparing and administering the Sub Association budgets, and handling Sub Association reserves, the Master Board shall be bound by the following procedures:

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

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

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

d. The Master Association may hold the reserve funds for the Sub Associations collectively, or commingled, in one or more accounts or investments, provided that the Master Association must keep books and records which will permit it to provide an accounting from time-to-time of the reserve funds held for each Sub Association.

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

f. The Master Board shall deliver to all Members of the Sub Associations copies of each budget approved by the Master Board, as well as notice of any capital expenditure approved by the Master Board, within thirty (30) days after either such approval.

ARTICLE XXI

AUTHORIZED SIGNATURES

Section 1. Signatures on Master Association Checks and Instruments. Any two (2) officers of the Master Association shall be authorized signatures for the execution of all checks and instruments drawn by or on behalf of the Master Association against the Master Association's accounts. The Master Board shall designate the officers to be authorized signatures. The Master Association's Community Manager may be authorized by the Master Board to act as an individual signatory on behalf of the Master Association to draw and issue checks against the Master Association's operating funds and accounts to conduct the routine day-to-day business affairs for the Master Association; subject to the reservations that the Master Board may limit the amounts and payees on checks drawn by the Community Manager, and the requirement that the President must sign all checks for ten thousand (\$10,000.00) dollars or more.

a. All documents dealing with, touching upon or granting any right, title, easement, license, mortgage or security interest in, on or over the Common Area, the Common Facilities and/or the Master Association's accounts receivable or Assessments must be signed by the President, and the Secretary, or in the absence of the Secretary, the Treasurer.

Section 2. Signatures on Sub Association Checks and Instruments. Any two (2) officers of the Master Association shall be authorized signatures for the execution of all checks and instruments drawn by or on behalf of the Master Association against such accounts as may be kept or maintained by, for, or in the name of any Sub Association. The Master Board shall designate the officers to be authorized signatures. The Master Association's Community Manager may be authorized by the Master Board to act as an individual signatory on behalf of the Master Association to draw and issue checks and to conduct the routine day-to-day business affairs for the Sub Associations; subject to the reservations that the Master Board may limit the amounts and payees on checks drawn by the Community Manager on behalf of the Sub Associations, and the requirement that the President must sign all checks for ten thousand (\$10,000.00) dollars or more.

a. All documents dealing with, touching upon or granting any right, title, easement, license, mortgage or security interest in, on or over any Sub Association's Controlled Facilities and/or the Sub Association's accounts receivable or Assessments must be signed by the Master Association's President, and the Secretary, or in the absence of the Secretary, the Treasurer; at the option of the Master Board the Sub Association's president and secretary may be asked to join in executing documents on behalf of the Sub Association.

ARTICLE XXII
CORPORATE RECORDS

Section 1. Maintenance of Master Association Records. There shall be maintained at the registered office of the Master Association all records of the Master Association required by Section 5316 of the Act, and Section 5508 of the NPC, plus such other records as may be necessary for the Master Board to exercise its powers and perform its duties in the manner contemplated by the Master Governing Documents and applicable law. The records to be maintained by the Master Association shall include, but shall not be limited to, an original or duplicate record of all proceedings of the Members, and of the Master Board, the original or a copy of the Master Declaration, as well as these Master Bylaws and the Rules and Regulations, including all amendments, supplements or alterations to them and an annual financial statement which must consist of at least a balance sheet and a statement of revenues and expenses for the Master Association. The Master Association's records shall also contain a membership registry which sets forth the names of all Members, and the Members' addresses.

Section 2. Maintenance of Sub Association Records. There shall be maintained at the registered office of the Master Association all records of the Sub Associations required by Section 5316 of the Act, plus such other records as may be necessary for the Master Board and the Sub Associations' boards to exercise their respective powers, and perform their respective duties, in the manner contemplated by the Governing Documents of the Sub Associations, and applicable law. The records to be maintained by the Master Association shall include, but shall not be limited to, an original or duplicate record of all proceedings of the Members, and of the Master Board, the original or a copy of the Sub Association Declarations, as well as the Sub Association Bylaws and any Sub Association Rules and Regulations, including all amendments, supplements or alterations to them and an annual financial statement which must consist of at least a balance sheet and a statement of revenues and expenses for the Sub Association. If the information is available, the Master Association's records shall also contain a membership registry for the Sub Association which sets forth the names of all of the Sub Association's Members, and the Members' addresses. The Master Association may look to, and rely upon, the Secretaries of the Sub Associations to prepare and provide the Master Association with the documents and records needed to comply with this Section 2. It shall not be the obligation of the Master Association, nor the Secretary of the Master Association, to take or prepare any minute, document or record on behalf of any Sub Association pursuant to this Section 2. The Master Association, and the Secretary of the Master Association shall maintain the records and documents prepared and provided by the Sub Associations. The Master Association may, but shall not bear the obligation, to file an action to compel a Sub Association to prepare and provide the Master Association with the records and documents necessary for it to comply with this Section 2.

a. If authorized by the Master Board, then records may be maintained for a Phase or Phases. However, the Master Association and Master Board shall not bear any obligation or duty to maintain records on a Phase basis.

Section 3. Inspection of Records. In accordance with Section 5508 of the NPC, every Member shall, upon written demand under oath stating a proper purpose for the examination, have a right to examine, in person, by agent or attorney, during business hours, the Membership

Registers, books and records of account, and records of the proceedings of the Members, Master Board and committees of the Master Association, or his or her Sub Association, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Member of the Master Association, or his or her Sub Association. In every instance where an attorney or other agent shall be the person who seeks the right to inspect, the demand under oath shall be accompanied by a power of attorney or similar writing which authorizes the attorney or other agent to act on behalf of the Member. The demand under oath shall be directed to the Association in care of the Secretary or Community Manager as agent for the Secretary, at the Association's registered office in this Commonwealth, or at its principal place of business wherever situated.

ARTICLE XXIII **FISCAL YEAR**

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

ARTICLE XXIV **ASSESSMENTS**

Section 1. Master Board to Levy Assessments. The Master Board shall have the exclusive power to assess, levy, collect and enforce all Assessments, fees, fines, interest, charges and expenses permitted under the Master Governing Documents and/or applicable law against the Units in order to raise all those funds needed to pay the Master Common Expenses of the Master Association. The Master Board shall also have the exclusive power to assess, levy, collect and enforce all Assessments, fees, fines, interest, charges and expenses permitted under the Master Governing Documents and/or applicable law against the Units in order to raise all those funds needed to pay the Sub Associations' Common Expenses on behalf of the Sub Associations.

a. Pursuant to the Master Governing Documents, the Master Board will act by, and on behalf of the Master Association, to discharge the obligations and duties of the Master Association to perform all administrative, management and operation functions and obligations in the manner stated in the Master Governing Documents, and exercise any and all further Assessment powers which may now or hereafter be vested in, or granted to, the Master Board by any statute, law, regulation or ordinance which may be made, or which may become, applicable to the Master Association, to maintain, repair, replace, restore and service the Common Area and Common Facilities. The Master Board shall have the exclusive power to assess, levy, collect and enforce Assessments, fees, fines, interest, charges and expenses against the Units in order to raise all those funds needed to discharge the obligations and duties of the Master Association in regard to the administration, management and operation of the Master Association.

b. Pursuant to the Master Governing Documents, the Master Board will act by, and on behalf of the Master Association, to discharge certain obligations and duties borne by the Master Association under the Master Governing Documents to administer, manage and operate the

Sub Associations, and to maintain, repair, replace, restore and service the Controlled Facilities (certain portions of lots in some of the Sub Associations). The Master Board shall have the exclusive power to assess, levy, collect and enforce Assessments, fees, fines, interest, charges and expenses against the Units in order to raise all those funds needed by the Master Association to discharge its obligations and duties in regard to the administration, management and operation of the Sub Associations, and the maintenance, repair, replacement, restoration and servicing of the Controlled Facilities, and those portions of the Units for which the Master Association may bear any such duties or obligations.

Section 2. Assessment Procedure. All Assessments, fees, fines, interest, charges and expenses shall be assessed, levied, collected and enforced by the Master Board pursuant to the applicable provisions of the Master Declaration, these Bylaws and the Act.

Section 3. Notice of Assessments. The Master Board shall provide each Member against which an Assessment is levied with notice of the amount of the Assessment levied against the Member's Unit, and the due date for payment of the Assessment, in the manner stated in the Master Declaration.

Section 4. Lien for Assessments. All Assessments assessed and levied against a Unit shall be a lien upon the Unit against which they are levied and assessed, and shall be the obligation of the Member, in the manner stated in the Master Declaration.

Section 5. Crediting of Payments. Except as may be directed by the Master Board from time-to-time, including, but not limited to, through the adoption of Rules and Regulations, all payments of Assessments by Members, including payments made subsequent to the due date, shall be credited in the following order:

- First. Interest.
- Second. Late fees.
- Third. Costs of collection, including court costs.
- Fourth. Attorneys' fees.
- Fifth. Unpaid Assessments, including liened Assessments.

Section 6. Interest. Delinquent Assessments, expenses, fees, fines, charges and/or costs which are a lien on a Unit, and/or recoverable from any Member under the Governing Documents in the same manner as an Assessment, shall bear interest at the rate of fifteen percent (15%) per annum, or such other maximum interest rate as may be established by applicable law, on the entire outstanding balance due from the due date until payment in full is received or recovered by the Master Association.

Section 7. Delinquency Notice. Upon any Member's account becoming delinquent, and prior to filing any complaint, the Master Association will give notice of the delinquency to the

Member, and may demand that the Member bring the account current. The notice shall be given in accordance with such relevant Rules and Regulations as the Master Board may now, or hereafter, adopt.

Section 8. Power to Collect Through Suit. If prompt and full payment of all Assessments and other sums due is not made by the Member in accordance with the delinquency notice provided to the Member, then in addition to the remedies provided to the Master Association below, the Master Association may bring an action at law to collect any delinquent Assessments, liened Assessments, late fees, interest, fees, fines, charges, expenses and/or costs of collection, including attorneys' fees due to the Master Association under the Master Declaration and/or applicable law. The Master Association may also enforce or foreclose the Master Association's lien against a Unit. In the event of a suit to enforce or foreclose the lien against a Unit, the Master Association may proceed in the same manner as provided for an action of mortgage foreclosure.

Section 9. Arbitration or Mediation. At any time prior to the recovery of a judgment by the Master Association for delinquent Assessments, the Member and the Master Association may agree in writing to submit the delinquency dispute to arbitration, including binding arbitration, or mediation. If the Master Association and the Member agree to submit a delinquency dispute to arbitration, then the arbitration shall be scheduled by the Master Association, and shall be conducted in accordance with the applicable provisions of the Master Governing Documents. If the Master Association and the Member agree to submit a delinquency dispute to mediation, then the mediation shall be scheduled by the Master Association, and shall be conducted in accordance with such reasonable procedures as the mediator, acting with the written consents of the Master Association and the Member, may recommend.

Section 10. Delinquent Assessment Collection Procedures. Upon the failure of any Member to make prompt and full payment of delinquent Assessments or any other sum due in response to any delinquency notice, the Master Association may proceed with one or more of the following collection procedures, at the same time, or consecutively, as the Master Board may elect:

a. Upon notice to the Member, addressed to the Member at the last address for the Member shown in the Master Association records and/or the Member's Unit, which notice may be incorporated in the notice to be transmitted under Section 3 above, declare the entire balance of any Annual, Special or any other Assessment payable in installments to be a lien on the Member's Unit, and immediately due and payable in full; and

c. Charge a reasonable monthly late fee; and

c. Charge interest in the manner stated above; and

d. Upon notice to the Member, addressed to the Member at the last address for the Member shown in the Master Association records and/or the Member's Unit, which notice may be incorporated in the notice to be transmitted under Section 3 above, revoke the Member's good standing status and suspend the right of such Member to cast a vote in Master Association matters, to hold, continue to hold, or stand for election or appointment to any appointive or elective offices,

until such time as all of the delinquent Assessments, liened Assessments, late fees, fees, fines, expenses, charges, interest and/or costs of collection, including attorneys' fees are paid in full; and

e. Provide notice to the Member's mortgagee of the nature and amount of any delinquent Assessments and/or expenses, fees, charges, interest or expenses, together with liened Assessments, late fees, fines and/or costs of collection, including attorneys' fees due; and

f. Commence and maintain a lawsuit to collect the sums due from the Owner;
and

g. Commence and maintain an action to foreclose the Association's lien; and

h. The foregoing is not, nor shall it be deemed to be, an exclusive list of the collection procedures which may be followed by the Master Association; to the contrary, the Master Association may pursue or exercise any collection or enforcement remedies now or hereafter made available to it under the Master Declaration, prevailing law and/or pursuant to the adoption of such Rules and Regulations regarding Assessment collections as the Master Board may from time-to-time adopt. The Master Association may exercise its remedies in such order, and at such times, as the Master Board may deem appropriate.

Section 11. Reassessment Among All Members. In the event the Master Board determines that any unpaid Assessments, liened Assessments, fees, expenses, fines, interest, charges and/or cost of collection, including attorneys' fees, have become uncollectible from a Member, then the unpaid Assessments, liened Assessments, fees, expenses, fines, interest, charges and/or cost of collection, including attorneys' fee, may be reassessed by the Master Board as a Common Expense to be collected from all the Members.

Section 12. Remedies Cumulative. All of the remedies provided to the Master Association shall be deemed to be cumulative. Nothing set forth hereinabove shall prevent the Master Association from proceeding with one or more of its remedies consecutively or concurrently, as the Master Board may direct.

ARTICLE XXV

DUE PROCESS PROCEDURES

Section 1. Due Process Procedures. The Master Association, the Master Board, and any relevant Committees established by the Master Board, including, but not limited to a Rules Committee, if any such committee may be appointed, shall proceed in accordance with the Due Process Procedures established in the Master Governing Documents, including any relevant Rules and Regulations adopted by the Master Board for the purposes of determining and resolving violations of the Master Governing Documents, preventing breaches and violations of the Master Governing Documents, preserving the health, safety and welfare of the Members, minimizing Common Expenses, facilitating the preservation and maintenance of the appearance and value of the Common Area and Common Facilities. Any due process Rules and Regulations established by the Master Board shall apply to all breaches of the Master Governing Documents by a Member,

except with respect to unapproved architectural changes. In the event of unapproved architectural changes, the Master Association may file suit against an Member at equity or at law, at any time, including prior to initiating due process procedures.

Section 2. Rules Committee. The Master Board may, but shall not be required to, appoint a Rules Committee to assist it in the determination of the existence or occurrence of violations of the Master Governing Documents. However, it shall be the Master Board's duty to make all final determinations as to whether any violation has occurred.

Section 3. Complaining Party. Any Member, Master Board member, Officer, Owner, Occupant or the Community Manager, if any be appointed, may submit a written complaint in accordance with such procedures, if any, as the Master Board may adopt with respect to submission of a complaint.

Section 4. Review of Complaint. The Master Board shall determine whether the acts complained of represent a violation of the Master Governing Documents. However, the Master Board may investigate and review the complaint by, through, or with the assistance of, a Rules Committee. The Master Board or Rules Committee may contact any Master Board member, Officer, the Community Manager or Owner, including the Owner of the Unit where the violation is asserted to have occurred, to obtain information or a response to the complaint. If appointed, then upon completion of its review, the Rules Committee shall make a written recommendation to the Master Board as to the existence of a violation, and where appropriate recommend sanctions and/or work to be done or action to be taken to remedy the violation.

Section 5. Due Process Rules and Procedures. The Master Board may adopt due process rules and regulations. Except for violations of the Master Governing Documents for which the Master Association is permitted to pursue immediate relief in the Court of Common Pleas, including by way of example, but not by way of limitation, architectural violations, or violations which may affect or impair the Owners' or Occupants' easements, the due process rules and regulations shall provide each Member accused of a violation of the Master Governing Documents with an opportunity to appear before the Master Board to be heard and present testimony about the alleged violation before any fine is levied or sanction is imposed.

Section 6. Sub Association Referrals for Enforcement. If a Member breaches a Sub Association's Declaration, Bylaws and/or Rules and Regulations, and the board of the Sub Association levies a fine against the Member for breaching the Sub Association's Declaration, Bylaws and/or Rules and Regulations, and the Member does not cure the breach or pay the fine, then the board of the Sub Association must refer the violation to the Master Board for review and collection of the fine and enforcement action, if the Sub Association wishes to pursue further action on the violation. Upon receipt of the referred violation the Master Board, or the Rules Committee if appointed, shall proceed on the referred violation in accordance with the procedures of this Article, subject to the Master Board's review and consideration.

Section 7. Review of Sub Association Referral for Enforcement. The Master Board shall review the violation matter referred by the board of the Sub Association for collection of the fine and enforcement action on the breach to determine whether the acts complained of represent a violation

of the Master Association and/or Sub Association's Governing Documents. The Master Board may investigate and review the referred violation matter by, through, or with the assistance of, one or more Master Board members, the Community Manager, and/or the Rules Committee. One or more members of the Master Board, the Community Manager or the Master Rules Committee may contact the Sub Association board, the officers of the Sub Association and/or the Member accused of the violation to obtain information, to attempt to resolve the matter or carry out the Master Association's due process procedures. If referred by the Master Board to the Master Association's Rules Committee, then upon completion of its review, the Rules Committee shall make a written recommendation to the Master Board as to the existence of a violation, and where appropriate recommend a course of action to be taken to remedy the violation.

Section 8. Litigation. The due process procedures established in the Master Governing Documents apply to all breaches of the Master Governing Documents by an Owner or Occupant except for: acts, activities or construction which represents a threat to the health, safety or welfare of Owners or Occupants; acts, activities or construction which represents a threat or irreparable damages or loss of value to the Common Area, the Common Facilities or Controlled Facilities; destruction, damage or exertion of control over the Common Area, the Common Facilities or Controlled Facilities; the destruction or removal of Master Association personal property; building or constructing of unapproved architectural changes on or to a Unit or the Common Area, the Common Facilities or Controlled Facilities; in which event the Master Association may file suit against a Member at equity or at law, at any time, including prior to initiating due process procedures. The Master Association may immediately pursue such relief and damages as the Master Board may deem appropriate and necessary to preserve, protect or restore health, safety, welfare or security, and/or the appearance, condition and/or function of the Property and any improvements located on the Property. However, the Member will still be entitled to due process procedures in accordance with the procedures established in the Master Governing Documents with respect to any fines or other sanctions levied or imposed by the Master Board.

Section 9. Master Board Review. The Master Board shall determine whether the acts complained of represent a violation of the Master Governing Documents by a majority vote of the Master Board. Otherwise, the complaint shall be dismissed.

Section 10. Fines and Sanctions. If, after the completion of an investigation, and holding a hearing if requested by the Member, the Master Board determines that there has been, or is, a violation of the Master Governing Documents, then the Master Board may levy a fine against the Member in an amount consistent with the nature and severity of the violation up to, but not in excess of, \$25.00 per violation. Fines may be levied on a daily basis for continuing violations by a Member. In addition to fines, the Master Board may also issue a cease and desist letter, and if necessary, demand specific action or work to be done by the Member to abate, cure or remedy any violation.

Section 11. Other Remedies. The Master Board shall also have the power to resolve a matter informally, upon notice to the Member, to suspend the Member's good standing status, and/or to pursue all remedies at law or equity, or available to it under the Act, this Article or the Master Governing Documents, consecutively or concurrently, as the Master Board may elect.

Section 12. Fees and Costs of Enforcement. All costs, charges, expenses and fees, including attorneys' fees (including costs and fees incurred by the Master Association in attempting to reach or negotiate an amicable resolution or settlement of a violation), incurred by the Master Association incident to carrying out due process procedures, including, but not limited to, collecting fines and/or enforcing compliance with the Master Governing Documents, shall be reimbursed to the Master Association by the Member, and until paid in full, shall be a lien upon the Unit, and the personal obligation of the Member, collectible in the same manner as an unpaid Assessment.

Section 13. Notice, Arbitration or Mediation Between Member and the Master Association. Except as may be limited by prevailing law, Members may not bring or file any writ of summons or complaint against the Master Association with any court, agency, board, commission or other governmental agency without first providing the Master Association with written notice of the nature, substance and value of the claim at least ninety (90) days prior to the filing of the writ of summons or complaint. The Master Association may attempt to satisfy or cure the claim, or submit the claim to its insurance carrier where appropriate, during the ninety (90) day period. The Master Association may seek to submit the matter to arbitration or mediation, or to pursue due process procedures. The failure of a Member, or Members, to give the Master Association the required written notice shall be grounds for the dismissal of any action, writ of summons or complaint filed against the Master Association. In the event of any dispute between the Master Association and any Member (the "Parties" for this Section), and subject to the written consent of all Parties at any time prior to recovery of a judgment by any party, any dispute between the Parties may be submitted to mediation or arbitration, including binding arbitration if agreed to by all Parties.

Section 14. Notice, Arbitration or Mediation Between the Master Association and the Declarant. Except as may be specifically barred or prohibited by prevailing law, the Master Association shall not, either by or for itself, or by or for any Sub Association or group of Sub Associations, bring or file any writ of summons or complaint against the Declarant with any court, agency, board, commission or other governmental agency without first providing the Declarant with written notice of the nature, substance and value of the claim at least ninety (90) days prior to the filing of the writ of summons or complaint. Notice may be given by providing the Declarant with a copy of the complaint which is intended to be filed, or a detailed statement of the claim asserted. The Declarant may attempt to satisfy or cure the claim, or submit the claim to its insurance carrier where appropriate, during the ninety (90) day period. The Master Association must permit the Declarant to attempt to satisfy or cure the claim, or submit the claim to its insurance carrier, during the ninety (90) day period. The Declarant may also seek to submit the matter to arbitration or mediation, and if the Declarant does so, the Master Association must participate in the arbitration or mediation procedures. The failure of the Master Association to give the Declarant the required written notice shall be grounds for the dismissal of any action, writ of summons or complaint filed against the Declarant.

ARTICLE XXVI

INDEMNIFICATION OF OFFICERS AND MASTER BOARD MEMBERS

Section 1. General Rule for Indemnification. Each Master Board member and each Officer and committee member shall be indemnified by the Master Association in accordance with

the provisions of 15 Pa. C.S.A. §5741, et seq. of the NPC, as it may from time-to-time be amended or re-enacted, against any and all liabilities, fines, penalties and claims imposed upon or asserted against them, and against all expenses reasonably incurred by them, in connection with any claim or action, suit, or proceeding (either civil or criminal) to which they may be made a party by reason of having been a Master Board member, Officer of the Master Association or committee member, except in relation to matters as to which they shall be adjudged in such action, suit, or proceeding to be liable by reason of having been guilty of gross negligence or willful misconduct in the performance of their duty as a Master Board member, Officer or committee member. However, in the event of a settlement, the indemnification herein shall apply only if the Master Association shall be advised by its legal counsel that, in counsel's opinion, such Master Board member, Officer or committee member was not guilty of gross negligence or willful misconduct in the performance of their duty as such Master Board member, Officer or committee member with respect to the matters covered by the pending claim, action, suit or proceeding. The foregoing right of indemnification shall not be exclusive of any other right to which the Master Board member, Officer or committee member may be entitled as a matter of law or otherwise.

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

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

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

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

d. Shall not be personally liable to any Member, Owner or Occupant for loss or damage caused by accident, weather, the elements, infestation, war, civil unrest, Act of God, vandalism, theft of or damage to personal property deposited, erected or left by any Member, Owner or Occupant in, on or about the Common Area, the Common Facilities and/or the Limited Common Area, except for the Master Board member's, Officer's or committee member's own willful misconduct or gross negligence.

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

f. Shall not be personally liable to any Member, Owner or Occupant for the amenities, availability, condition, location, maintenance or services of the Golf Club or the Club Property, which are operated by the Golf Club Operator.

ARTICLE XXVII NOTICE

Section 1. Notice. Except as specifically set forth in the Master Governing Documents, any notice to be given or transmitted by, and between, the Master Association, the Master Board and the Members, unless otherwise provided herein, shall be made in writing, and shall be deemed given when hand delivered to the Member at the Member's Unit, if the Member resides in the Unit, or mailed to the Member by United States Post Office first class mail, all postage pre-paid, to the last address for the Member shown in the Master Association's records. A Member's address will be deemed to be at the Member's Unit unless the Member provides the Association's Secretary with written notice of an alternate address for the Member. Notice may also be given to a Member by e-mail or facsimile transmission, but notice by e-mail or facsimile transmission will only be deemed to have been received if receipt of the notice is confirmed by return e-mail or facsimile transmission generated and transmitted by the recipient. Notice to the Master Association shall be made in writing upon the Master Association's Secretary, or in the absence of the Secretary, upon the Master Association's Community Manager via United States mail, first class postage prepaid, or by delivery to a reliable courier or overnight mail service, all postage prepaid. Notice may also be given to the Master Association by e-mail or facsimile transmission, but notice by e-mail or facsimile transmission shall only be deemed to have been received if receipt of the notice is confirmed by return e-mail or facsimile transmission generated and transmitted by the Secretary, the Community Manager or an authorized representative of the Master Association.

ARTICLE XXVIII CONTRACTUAL POWERS

Section 1. Validity of Contracts with Interested Master Board Members. Except with respect to the Declarant and its affiliates, no contracts or other transactions may be made or entered into between the Master Association and any one (1) or more of its Master Board members, nor between the Master Association and any corporation, firm or association in which any one (1) or more of the Master Board members are owners, directors or officers, or are directly or indirectly, employed or financially interested, except upon full disclosure by the interested Master Board member of his, her or their interest in, or employment with, the corporation, firm or association. Except for the Declarant, no interested Master Board member shall vote upon any motion, resolution or upon any contract with any entity in which the Master Board member has an interest.

ARTICLE XXIX
AMENDMENTS, CONFLICTS AND SEVERABILITY

Section 1. Amendments. During the Declarant Control Period the Declarant may amend these Master Bylaws from time-to-time as the Declarant may deem necessary. After termination of the Declarant Control Period, and except as may be limited by applicable law, upon fifteen (15) days notice to the Members, together with a copy of the text of the proposed amendment, these Master Bylaws may be amended by vote of sixty-seven (67%) percent of the members of the Master Board. Any amendment adopted by the Board may be amended or changed by vote of sixty-seven (67%) percent of the Members at a Special or General meeting. These Master Bylaws may also be amended by vote of sixty-seven (67%) percent of the Members at the Annual Meeting of the Members, or any other meeting called for that purpose, or by an instrument in writing signed by sixty-seven (67%) percent of the Members. Amendments will become effective upon adoption.

a. For so long as the Declarant owns a Unit no amendment made or adopted to these Master Bylaws by vote of the Owners or Master Board action which has any material effect upon any interest of the Declarant shall be or become effective as against the Declarant, or the Units owned by the Declarant, unless the amendment is approved by the Declarant.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Master Bylaws, the Articles shall control. In the case of any conflict between the Master Declaration and these Master Bylaws, the Master Declaration shall control.

a. In the case of any conflict between the Master Governing Documents and the Sub Associations' Governing Documents, or between the Master Governing Documents and the governing documents of any one or more of the Sub Association's, then the Master Governing Documents shall control over the Sub Association Governing Documents under all circumstances and events.

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

ARTICLE XXX
GENERAL PROVISIONS

Section 1. Applicable Law. Each Member, upon the acceptance of a deed to a Unit, and each Master Board member by acceptance of appointment to serve on the Master Board, and each Officer by acceptance of appointment serve as an Officer, and each committee member by acceptance of appointment to a committee, agrees to be bound by, and to perform his or her duties in accordance with, the Master Governing Documents, and further agrees that these Master Bylaws shall be liberally interpreted and enforced for all purposes and in accordance with the laws of the Commonwealth of Pennsylvania.

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

Section 3. Jurisdiction. The Master Association, the Members, all Master Board members by their appointment or election of a member to serve on the Master Board, all Officers by acceptance of appointment or election to serve, and all committee members by acceptance of appointment to serve on a committee, agree that the Court of Common Pleas of Chester County, Pennsylvania, shall have original jurisdiction over all causes of action arising from the application, enforcement or interpretation of these Master Bylaws, but any suit for delinquent Assessments, lien Assessments, costs, fees, interest, fines, or any other sum of money, including attorneys' fees, which may become due to the Master Association from any Member under the Master Governing Documents, may be filed in the local Magisterial District Court, or equivalent court, having jurisdiction over the Master Association, if the amount at issue is within the Magisterial District Court's jurisdictional limits.

Section 4. Enforcement. The Master Association, the Master Board, or any Member may initiate a cause of action to enforce the Master Bylaws. The Master Association may join in any enforcement action brought by a Member. No Member, Owner or Occupant may bring any enforcement action against, by or on behalf of the Master Association, except upon providing the Master Association with ninety (90) days notice, by certified mail, first-class postage prepaid, of the nature and substance of the action, and the court in which the Member intends to file the action.

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

b. Should a Member bring or file an action, claim or lawsuit based upon one of more of the Master Governing Documents against the Master Association, its Master Board, Master Board members, Officers or any committee or committee members, and should the Member fail to substantially recover the damages or relief requested in the said action, claim or lawsuit, then any order or judgment of the Court disposing of the matter shall also make an award in favor of the Master Association, and against the Member, of all costs and fees, including reasonable attorneys fees, incurred by the Master Association in defending the matter.

c. Should a Sub Association, the board of a Sub Association, the officers of a Sub Association, or an officer of a Sub Association bring or file an action, claim or lawsuit based upon the Master Governing Documents or any Sub Association Governing Documents against the Master Association, its Master Board, Master Board members, Officers or any committee or committee members, and should the Sub Association, the board of a Sub Association, the officers of a Sub Association, or an officer of a Sub Association fail to substantially recover the damages or relief requested in the said action, claim or lawsuit, then any order or judgment of the Court disposing of the matter shall also make an award in favor of the Master Association, and against the

Sub Association of all costs and fees, including reasonable attorneys fees, incurred by the Master Association in defending the matter.

d. All costs, expenses and attorneys' fees incurred by the Master Association in any enforcement action brought against a Member, including but not limited to costs and fees to prepare and file a Complaint or other pleading, Petition, Writ, Motion, Memo or Brief with any Court, to conduct a trial or hearing, participate in conferences, take discovery, negotiate and document an amicable resolution or settlement, and/or collect a Judgment against a Member, shall be reimbursed to the Master Association by the Member, and shall be a lien on the Member's Unit, as applicable, until paid, and if not promptly paid, then the costs and expenses shall be recoverable in the same manner as a delinquent Assessment under the Master Declaration.

Section 5. Actions Against Master Association. All actions in breach of contract or tort filed by any Owner or Occupant against the Master Association, if any may be filed, alleging a wrong done by the Master Association or by the Board or an officer, director, member, agent, employee, servant or contractor of the Master Association, or an action arising from an alleged breach of contract by the Master Association, must be brought against the Master Association only. The Owners, individually and severally, shall not be subject to suit, or be otherwise directly or indirectly held accountable for the acts of the Master Association or its Board, officers, agents, servants, employees, or contractors on behalf of the Master Association.

Section 6. Notice To Master Association. Except as may be limited by prevailing law, each Owner, and each Occupant, shall be deemed to have covenanted and agreed not to bring or file any writ of summons or complaint against the Master Association with any court, agency, board, commission or other governmental agency without first providing the Master Association with written notice of the nature, substance and value of the claim at least ninety (90) days prior to the filing of the writ of summons or complaint. The Master Association may attempt to satisfy or cure the claim, or submit the claim to its insurance carrier where appropriate, during the ninety (90) day period. The Master Association may seek to submit the matter to arbitration or mediation, or to pursue due process procedures. The failure of an Owner or Occupant to give the Master Association the required written notice shall be grounds for the dismissal of any action, writ of summons or complaint filed against the Master Association.

Section 7. Mediation and Arbitration. Any dispute involving the Master Association, its Master Board, Officers, any Member, a Sub Association, the board of a Sub Association, the officers of a Sub Association, or an officer of a Sub Association may be submitted to mediation or arbitration, including binding arbitration, if agreed to by majority vote of the Master Board.

Section 8. Headings. The headings used throughout these Master Bylaws are for reference purposes only. They are not intended to, and shall not be deemed to, grant or create any obligation, right, privilege or duty.

IN WITNESS WHEREOF, we, being the incorporators and President and Secretary of The Applecross Country Club Master Association, Inc. have hereunto set our hands the ____ day of _____, 2007.

THE APPLECROSS COUNTRY CLUB MASTER
ASSOCIATION, INC.

By: _____
President, Board of Directors

SEAL

Secretary, Board of Directors

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MASTER BYLAWS
OF
THE APPLECROSS COUNTRY CLUB MASTER ASSOCIATION, INC.