

**TABLE OF CONTENTS
OF
AMENDED BYLAWS OF
HERSHEY’S MILL HOMEOWNERS ASSOCIATION**

Revised March 21, 2013

ARTICLE I NAME AND DEFINED TERMSPage 5 of 51
 Section 1. Name of the Association.....Page 5 of 51
 Section 2. Defined TermsPage 5 of 51

ARTICLE II OFFICES.....Page 6 of 51

ARTICLE III SEALPage 6 of 51

ARTICLE IV ADMINISTRATION, MANAGEMENT AND OPERATIONPage 6 of 51
 Section 1. Administration and Incorporation.....Page 6 of 51

ARTICLE V MEMBERSHIPPage 7 of 51
 Section 1. Membership.....Page 7 of 51
 Section 2. One Class of Membership.....Page 7 of 51
 Section 3. Duration of Membership.....Page 7 of 51
 Section 4. Voting Rights of Members.....Page 7 of 51

ARTICLE VI MEMBERSHIP MEETINGSPage 7 of 51
 Section 1. Annual Meeting of the MembersPage 7 of 51
 Section 2. Monthly Meetings.....Page 8 of 51
 Section 3. Special Meetings.....Page 8 of 51
 Section 4. Meeting NoticePage 8 of 51
 Section 5. Business Conducted at Membership MeetingsPage 9 of 51

ARTICLE VII QUORUMPage 9 of 51
 Section 1. Quorum Calculation.....Page 9 of 51
 Section 2. Quorum Calculation for Meetings of the Board.....Page 10 of 51
 Section 3. Adjournment of Annual, Monthly and Special Meetings.....Page 10 of 51
 Section 4. Adjournment of Meetings of the BoardPage 10 of 51
 Section 5. Actions of Master Homeowners Association Members Without a MeetingPage 10 of 51
 Section 6. Actions of Board Members Without a MeetingPage 10 of 51

ARTICLE VIII BOARD OF DIRECTORS’ MEETINGSPage 11 of 51
 Section 1. Meetings of the BoardPage 11 of 51
 Section 2. Quorum of Board.....Page 12 of 51

ARTICLE IX VOTING PROCEDURESPage 12 of 51
 Section 1. Voting at MeetingPage 12 of 51
 Section 2. No ProxiesPage 12 of 51
 Section 3. RecusalPage 12 of 51
 Section 4. Voting Rules and Procedures.....Page 12 of 51

ARTICLE X CONDUCT OF MEETINGS OF THE MEMBERSPage 13 of 51
 Section 1. RulesPage 13 of 51
 Section 2. Presiding Officer.....Page 13 of 51
 Section 3. MinutesPage 13 of 51
 Section 4. Judges of Election and Tellers.....Page 13 of 51
 Section 5. ParliamentarianPage 13 of 51
 Section 6. Executive SessionPage 13 of 51

ARTICLE XI <u>CONDUCT OF MEETINGS OF THE BOARD</u>	Page 14 of 51
Section 1. <u>Rules</u>	Page 14 of 51
Section 2. <u>Presiding Officer</u>	Page 14 of 51
Section 3. <u>Minutes</u>	Page 14 of 51
Section 4. <u>Executive Session</u>	Page 14 of 51
ARTICLE XII <u>MEMBERS AND HOME OWNERS' OBLIGATIONS AND REQUIREMENTS</u>	Page 14 of 51
Section 1. <u>Membership Obligations</u>	Page 14 of 51
Section 2. <u>Membership Rights and Privileges</u>	Page 14 of 51
Section 3. <u>Good Standing and Suspension of Membership Rights and Privileges</u>	Page 15 of 51
Section 4. <u>Suspension of Membership Rights and Privileges</u>	Page 15 of 51
Section 5. <u>Procedure for Suspension of Good Standing Status</u>	Page 16 of 51
ARTICLE XIII <u>BOARD OF DIRECTORS</u>	Page 17 of 51
Section 1. <u>Number</u>	Page 17 of 51
Section 2. <u>Qualifications of Board Members</u>	Page 17 of 51
Section 3. <u>Election</u>	Page 17 of 51
Section 4. <u>Term of Office</u>	Page 17 of 51
Section 5. <u>Two Classes</u>	Page 18 of 51
Section 6. <u>No Compensation</u>	Page 18 of 51
Section 7. <u>Fidelity Insurance</u>	Page 18 of 51
ARTICLE XIV <u>ELECTION, RESIGNATION AND REMOVAL OF BOARD OF DIRECTORS MEMBERS</u>	Page 18 of 51
Section 1. <u>Nomination of Candidates for Board</u>	Page 18 of 51
Section 2. <u>Election</u>	Page 19 of 51
Section 3. <u>Resignation</u>	Page 19 of 51
Section 4. <u>Deemed Resignations</u>	Page 19 of 51
Section 5. <u>Removal</u>	Page 19 of 51
Section 6. <u>Vacancies</u>	Page 20 of 51
ARTICLE XV <u>BOARD OF DIRECTORS' POWERS</u>	Page 20 of 51
Section 1. <u>Powers of the Board</u>	Page 20 of 51
ARTICLE XVI <u>BOARD OF DIRECTORS' DUTIES</u>	Page 23 of 51
Section 1. <u>General Duties of the Board</u>	Page 23 of 51
Section 2. <u>Specific Duties of the Board</u>	Page 23 of 51
ARTICLE XVII <u>CONFERENCE TELEPHONE</u>	Page 25 of 51
Section 1. <u>Participation in Member Meetings by Conference Telephone</u>	Page 25 of 51
Section 2. <u>Participation in Board Meetings by Conference Telephone</u>	Page 25 of 51
ARTICLE XVIII <u>OFFICERS</u>	Page 25 of 51
Section 1. <u>Officers</u>	Page 25 of 51
Section 2. <u>Election of Officers</u>	Page 25 of 51
Section 3. <u>Terms of Officers</u>	Page 25 of 51
Section 4. <u>Resignation and Removal</u>	Page 26 of 51
Section 5. <u>Vacancies</u>	Page 26 of 51
Section 6. <u>President</u>	Page 26 of 51
Section 7. <u>First Vice President</u>	Page 26 of 51
Section 8. <u>Second Vice President</u>	Page 26 of 51
Section 9. <u>Secretary</u>	Page 26 of 51
Section 10. <u>Treasurer</u>	Page 27 of 51
Section 11. <u>Delegation by Secretary and Treasurer</u>	Page 28 of 51
ARTICLE XIX <u>COMMITTEES</u>	Page 28 of 51

Section 1. <u>Presidential Appointment of Committees</u>	Page 28 of 51
Section 2. <u>Board Appointment of Standing Committees</u>	Page 28 of 51
Section 3. <u>Term of Service</u>	Page 28 of 51
Section 4. <u>Service on Committees Appointed by the President</u>	Page 28 of 51
Section 5. <u>Service on Committees Appointed by the Board</u>	Page 29 of 51
Section 6. <u>Committee Meetings</u>	Page 30 of 51
Section 7. <u>Reports from Committees Appointed by the President</u>	Page 30 of 51
Section 8. <u>Reports from Standing Committees</u>	Page 31 of 51
Section 9. <u>Standing Committees</u>	Page 31 of 51
Section 10. <u>Standing Committee Functions</u>	Page 31 of 51
Section 11. <u>Funds for Committees</u>	Page 32 of 51
Section 12. <u>No Compensation</u>	Page 33 of 51
Section 13. <u>Prohibited Committee Activities</u>	Page 33 of 51
ARTICLE XX <u>MANAGING AGENT</u>	Page 33 of 51
Section 1. <u>Managing Agent</u>	Page 33 of 51
Section 2. <u>Indemnification of the Master Homeowners Association</u>	Page 34 of 51
Section 3. <u>Termination of Managing Agent's Contract</u>	Page 34 of 51
Section 4. <u>Managing Agent's Functions</u>	Page 34 of 51
ARTICLE XXI <u>MASTER HOMEOWNERS ASSOCIATION BUDGET AND RESERVES</u>	Page 35 of 51
Section 1. <u>Annual Budget</u>	Page 35 of 51
Section 2. <u>Reserves</u>	Page 36 of 51
Section 3. <u>Budget and Reserve Procedures</u>	Page 36 of 51
Section 4. <u>Signatures on Checks and Instruments</u>	Page 36 of 51
Section 5. <u>Signatures on Demands for Money and Notes</u>	Page 37 of 51
Section 6. <u>Signatures on Demands for Agreements and Contracts</u>	Page 37 of 51
Section 7. <u>Signatures on All Other Documents</u>	Page 37 of 51
ARTICLE XXII <u>CORPORATE RECORDS</u>	Page 37 of 51
Section 1. <u>Maintenance of Records</u>	Page 37 of 51
Section 2. <u>Inspection of Records</u>	Page 37 of 51
ARTICLE XXIII <u>FISCAL YEAR</u>	Page 38 of 51
Section 1. <u>Fiscal Year</u>	Page 38 of 51
ARTICLE XXIV <u>ASSESSMENTS</u>	Page 38 of 51
Section 1. <u>Board to Levy Assessments</u>	Page 38 of 51
Section 2. <u>Common Expenses</u>	Page 38 of 51
Section 3. <u>Lien for Assessments</u>	Page 39 of 51
Section 4. <u>Surplus Funds</u>	Page 39 of 51
Section 5. <u>Levying of Assessments</u>	Page 39 of 51
Section 6. <u>Annual Assessments</u>	Page 39 of 51
Section 7. <u>Failure to Fix Any Annual Assessment</u>	Page 39 of 51
Section 8. <u>Special Assessments</u>	Page 40 of 51
Section 9. <u>Payment of Special Assessments</u>	Page 40 of 51
Section 10. <u>Crediting of Payments</u>	Page 40 of 51
Section 11. <u>Home Owners' Obligation to Pay Assessments, Expenses, Fees, Fines, Costs and Charges</u>	Page 40 of 51
Section 12. <u>Payment of Annual Assessment</u>	Page 41 of 51
Section 13. <u>Common Expenses Caused by Negligence</u>	Page 41 of 51
Section 14. <u>Effect of Nonpayment of Assessments and Remedies of the Master Homeowners Association</u>	Page 41 of 51
Section 15. <u>Costs of Collection and Enforcement</u>	Page 41 of 51
Section 16. <u>Interest</u>	Page 41 of 51
Section 17. <u>Thirty-Day Notice</u>	Page 42 of 51
Section 18. <u>Power to Collect Through Suit</u>	Page 42 of 51
Section 19. <u>Binding Arbitration</u>	Page 42 of 51
Section 20. <u>Delinquent Assessment Collection Procedures</u>	Page 42 of 51
Section 21. <u>Remedies Cumulative</u>	Page 43 of 51

ARTICLE XXV <u>DUE PROCESS PROCEDURES</u>	Page 43 of 51
Section 1. <u>Due Process Procedures</u>	Page 43 of 51
Section 2. <u>Review of Complaint</u>	Page 43 of 51
Section 3. <u>Due Process Procedures</u>	Page 43 of 51
Section 4. <u>Due Process Rules and Regulations</u>	Page 44 of 51
Section 5. <u>Member and/or Home Owner’s Obligations</u>	Page 44 of 51
Section 6. <u>Complaining Party</u>	Page 44 of 51
Section 7. <u>Board Review</u>	Page 44 of 51
Section 8. <u>Fines and Sanctions</u>	Page 44 of 51
Section 9. <u>Notice of Violation</u>	Page 45 of 51
Section 10. <u>Additional Remedies</u>	Page 45 of 51
Section 11. <u>Fees and Costs of Enforcement</u>	Page 45 of 51
Section 12. <u>Appeal Procedure</u>	Page 45 of 51
Section 13. <u>Decisions Upon Appeals</u>	Page 46 of 51
Section 14. <u>Binding Arbitration Between Member and/or Home Owners and the Master Homeowners Association</u>	Page 46 of 51
ARTICLE XXVI <u>INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS</u>	Page 46 of 51
Section 1. <u>General Rule for Indemnification</u>	Page 46 of 51
Section 2. <u>Mandatory Defense</u>	Page 47 of 51
Section 3. <u>Defense to Claim for Indemnification</u>	Page 47 of 51
Section 4. <u>Limitation on Indemnification</u>	Page 47 of 51
ARTICLE XXVII <u>NOTICE</u>	Page 47 of 51
Section 1. <u>Notice</u>	Page 47 of 51
ARTICLE XXIII <u>CONTRACTUAL POWERS</u>	Page 48 of 51
Section 1. <u>Validity of Contracts</u>	Page 48 of 51
ARTICLE XXIX <u>AMENDMENTS, CONFLICTS AND SEVERABILITY</u>	Page 49 of 51
Section 1. <u>Amendments</u>	Page 49 of 51
Section 2. <u>Conflicts</u>	Page 49 of 51
Section 3. <u>Severability</u>	Page 49 of 51
ARTICLE XXX <u>GENERAL PROVISIONS</u>	Page 49 of 51
Section 1. <u>Applicable Law</u>	Page 49 of 51
Section 2. <u>Non-Waiver</u>	Page 49 of 51
Section 3. <u>Jurisdiction</u>	Page 50 of 51
Section 4. <u>Enforcement and Notice to the Master Homeowners Association</u>	Page 50 of 51
Section 5. <u>Pronouns, Singulars and Plurals</u>	Page 51 of 51
Section 6. <u>Headings</u>	Page 51 of 51

AMENDED BYLAWS OF
HERSHEY'S MILL HOMEOWNERS ASSOCIATION

WHEREAS, the Hershey's Mill Homeowners Association (the "Association" and/or the "Master Homeowners Association") has been formed as a Pennsylvania nonprofit, non-stock, membership corporation under and subject to the Pennsylvania Nonprofit Corporation Law, 15 Pa. C. S. A. Section 5101 *et seq.*, as amended (the "NPC"); and

WHEREAS, the Association operates as the master association for that certain planned residential community located in East Goshen Township, Chester County, Commonwealth of Pennsylvania commonly known as "Hershey's Mill"; and

WHEREAS, the members of the Association are the twenty-three (23) residential planned community sub-associations (hereinafter the "Members") referred to in the Second Restated Declaration of Covenants and Easements for Hershey's Mill, as recorded in the office of the Recorder of Deeds of Chester County as Document ID# 10916256 *et seq.*, as amended (collectively the "Declaration"), and named in the List of Members attached hereto, and incorporated herein as Exhibit "A" (Note: to be based on list to be provided by the Association); and

WHEREAS, the Association also operates under and subject to the retroactive provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C. S. A. Section 5101 *et seq.*, as amended (the "UPCA" and/or the "Act"); and

WHEREAS, the Association and its Members require Amended Bylaws to establish the policies and procedures by which the administration, management and operation of the Association shall be conducted;

NOW THEREFORE, these Amended Bylaws of the Hershey's Mill Homeowners Association (hereinafter the "Bylaws"), having been adopted at a meeting of the Board of Directors (hereinafter the "Board") at which a quorum of the members was present by vote of not less than two-thirds (2/3) of the members present and entitled to vote, shall govern the administration, management and operation of the Association, and all prior Bylaws are hereby revoked, superseded and withdrawn for all purposes.

ARTICLE I
NAME AND DEFINED TERMS

Section 1. Name of the Association. The name of the Association is the Hershey's Mill Homeowners Association. Hershey's Mill Homeowners Association is referred to in the Declaration and these Bylaws as the "Master Homeowners Association."

Section 2. Defined Terms. The following words and terms used herein shall have the meaning respectively ascribed to each of them in the Declaration: Acceptable Management Company; Board of Directors; Bylaws; Commercial Areas; Common Open Space; Common Open Space Property; Common Expenses; Country Club; Declarant; Declared Common Open Space; Declared Hershey's Mill Land; First Mortgage; First Mortgagee; Hershey's Mill Land; Home Owners; Houses; Institute; Lot; Management Agreement; Managing Agent; Master Homeowners Association; Parkland; Preliminary Hershey's Mill Plan; Private Utility Facilities; Recreational Facilities; Roads; Storm Water Management Facilities; Village Declarations; Village Homeowner Associations; Village Lands; and Villages. The

Declaration and Bylaws are referred to herein as the “Governing Documents.” Additional words and terms contained herein shall have the meanings defined in the text of these Bylaws, or in the NPC, as applicable.

ARTICLE II **OFFICES**

The registered office address of the Master Homeowners Association shall be located at 1389 E. Boot Road, West Chester, PA, 19380, or such other address as the Board may from time to time designate. The Master Homeowners Association may also establish additional offices at such other place or places as the Board may from time to time appoint, or the business of the Master Homeowners Association may require.

ARTICLE III **SEAL**

Section 1. Seal. The corporate seal for the Master Homeowners Association shall be in circular form having within its circumference the words “Hershey’s Mill Homeowners Association” and shall bear the year 1984, being the year in which the Master Homeowners Association was organized as a nonprofit corporation.

SEAL

ARTICLE IV **ADMINISTRATION. MANAGEMENT AND OPERATION**

Section 1. Administration and Incorporation. The Master Homeowners Association shall be administered, managed and operated by the Board under and subject to these Bylaws, the NPC and the provisions of the UPCA now or hereafter made applicable to the Master Homeowners Association, as a Pennsylvania nonprofit corporation. As a nonprofit corporation, the Master Homeowners Association does not contemplate earning any profits. However, if the lawful activities of the Master Homeowners Association involve among other things the charging of fees or prices for its services or products, or for the use of the purchase, sale or conveyance of real property, without regard for whether it is part of the Common Open Space and/or any other part or portion of the Declared Hershey’s Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association shall have the right to receive such income, and in doing so, the Master Homeowners Association may make an incidental profit. All such incidental profits, if any, shall be applied to the maintenance, repair, operation, purchase, sale or conveyance of the Common Open Space, and to the lawful activities of the Master Homeowners Association. In no case shall any incidental profit be divided or distributed in any manner whatsoever by or among the Members, members of the Board nor the Officers of the Master Homeowners Association, except as may be expressly permitted under the Declaration.

ARTICLE V
MEMBERSHIP

Section 1. Membership. The Members shall be the twenty-three (23) Village Homeowner Associations. Each Member shall be represented at all times by the person who is the president, or such other member of the Village Council as the Village Council may appoint as the designated representative if the president is unable to attend the meeting, without regard for the title used, of the Village Council which administers, manages and operates the Member.

Section 2. One Class of Membership. The Master Homeowners Association shall have one (1) class of membership, which shall be comprised of the Members.

Section 3. Duration of Membership. Each Village shall be and remain a Member of the Master Homeowners Association for so long as the Village remains a part of the Hershey's Mill planned residential community. Membership in the Master Homeowners Association may not be terminated except upon termination of the Master Homeowners Association in accordance with the relevant provisions of the Declaration.

Section 4. Voting Rights of Members. Each Member shall have one (1) vote which may be cast by the Member on each matter on which the Members of the Master Homeowners Association are entitled to vote.

- a. Members may vote in any manner permitted in the Bylaws; but Members may not cast their vote in a cumulative fashion in any ballot, election or voting procedure.
- b. No Member may sell its vote. Any vote sold, cast or given for any consideration is invalid for all purposes.
- c. Votes may be cast only in accordance with these Bylaws, or as may be established by the Board in the manner permitted in these Bylaws.
- d. Upon written notice to a Member, the voting rights of a Member who is not in good standing may be suspended until the Member returns to good standing.

ARTICLE VI
MEMBERSHIP MEETINGS

Section 1. Annual Meeting of the Members. An annual meeting of the Members shall be held on the Hershey's Mill Land, or such other reasonably convenient meeting place located in East Goshen Township, Chester County, Pennsylvania, as may be selected by the Board. The annual meeting shall be held on the first Thursday in July of each calendar year, or as soon thereafter during the month of July as may be determined by the Board. If the Board does not call and hold the annual meeting by July 31st of each calendar year, then any Member in good standing may demand the scheduling of an annual meeting upon written notice to the Secretary, and the Secretary shall call and give notice of the annual meeting. The time, date and agenda for the annual meeting of the Members shall be adopted by the Board. Written notice of an annual meeting, including an agenda, must be prepared and transmitted by the Secretary to each of the Members in the manner stated herein.

a. Failure, if any, to hold, or timely hold, an annual meeting shall not work a dissolution of the Master Homeowners Association.

b. Failure, if any, to hold, or timely hold, an annual meeting shall not, in and of itself, make any decision or vote of the Board, nor any Bylaw amendment or Rule adopted by the Board, nor any contract approved by the Board and/or entered into by the Master Homeowners Association, void or voidable.

Section 2. Monthly Meetings. The Members shall hold general meetings on the first Thursday of every month other than July. Monthly meetings shall be held at 3:00 P.M. prevailing local time, or at any other time or date established by the Board. Monthly meeting of the Members shall be held on the Hershey's Mill Land, or such other reasonably convenient meeting place located in East Goshen Township, Chester County, Pennsylvania, as may be selected by the Board. The time, date and agenda for monthly meetings of the Members shall be adopted by the Board. Written notice of a monthly meeting, including an agenda, must be prepared and transmitted by the Secretary to each of the Members in the manner stated herein.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President of the Master Homeowners Association, or by majority vote of the Board, or upon written request of not less than ten (10%) percent of the Members then in good standing and entitled to vote at such a special meeting. The Board shall adopt and include in the notice of the special meeting the agenda, including on the agenda 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 Board under these Bylaws, the Declaration, the NPC or the Act. The Board may also include on the agenda such additional items and topics, if any, as the Board may deem appropriate for the Members' consideration. Special meetings of the Members shall be held on the Hershey's Mill Land, or such other reasonably convenient meeting place located in East Goshen Township, Chester County, Pennsylvania, as may be selected by the Board. Written notice of a special meeting, including an agenda, must be prepared and transmitted by the Secretary to each of the Members in the manner stated herein.

Section 4. Meeting Notice. Written notice of every meeting of the Members shall be transmitted to each of the Members by the Secretary of the Master Homeowners Association. The Secretary may utilize the services of an Assistant Secretary or the Managing Agent, if any, to assist the Secretary in the preparation, service, transmission, mailing and/or delivery of meeting notices.

a. Notice may be given in any manner permitted under these Bylaws and/or applicable law.

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 be given to the Member at its alternate address.

c. Notices of annual, monthly and special meetings must include an agenda.

d. Notice of the annual meeting must be given not less than three (3) days, nor more than thirty (30) days prior to the annual meeting.

e. Notice of a monthly meeting must be given not less than three (3) days, nor more than thirty (30) days prior to the monthly meeting.

f. Notice of a special meeting must be given not less than twenty (20) days, nor more than forty-five (45) days prior to the special meeting, except in the case of a situation in which a delay in meeting would accrue adverse consequences. If and when such an emergency occurs, a special meeting may be called as soon as practically possible.

g. Any Member who appears at any annual, monthly or special meeting, and participates in the meeting for any purpose other than to protest lack of notice of the meeting, or irregularity in the notice given, shall be deemed to have waived for all purposes any lack of notice, delay and/or irregularity in the notice the Member received. A Member must protest lack of notice of the meeting, or irregularity in the notice given before notation of the presence of a quorum at the meeting is made. If a Member does not protest lack of notice of the meeting, or irregularity in the notice given, before notation of the presence of a quorum at the meeting is made, then the protest shall be deemed to be waived for all purposes.

h. Notice of monthly meetings of the Members shall be deemed to have been given to, and received by, all of the Members if a notation of the scheduling of the monthly meeting appears in the minutes of the immediately preceding monthly meeting.

i. Meeting notices must state the place, date and the time of the meeting, and include an agenda; in the case of a special meeting, the notice shall also identify the matters to be considered and acted upon.

j. If a meeting of the Members is adjourned, and the date upon which the adjourned meeting is to be reconvened is stated in the minutes of the adjourned meeting, then it shall not be necessary for the Secretary to issue notice of the reconvened meeting to the Members.

Section 5. Business Conducted at Membership Meetings. The matters considered and acted upon at the annual and monthly meetings of the Members shall be limited to only those items and topics identified in the meeting notice and agenda, unless a majority of the Members present at the meeting vote to consider and/or act upon items or topics which are not identified in the meeting notice and agenda. The matters considered and acted upon at special meetings of the Members shall be limited to only those items and topics identified in the special meeting notice and agenda. The Members present at the special meeting may not vote to consider and/or act upon items or topics which are not identified in the special meeting notice and agenda.

ARTICLE VII **QUORUM**

Section 1. Quorum Calculation for Annual, Monthly and Special Meetings of the Members. The presence at any annual, monthly or special meeting of Members entitled to cast a majority of the votes eligible to be cast at any meeting of the Members shall constitute a quorum for any action, except as may otherwise be provided in these Bylaws, the NPC, the UPCA or the Declaration. However, only those Members present in person who are in good standing shall be counted for purposes of making quorum calculations. The Members present at a duly organized meeting can continue to do business until the adjournment thereof, notwithstanding the withdrawal of enough Members to leave less than a quorum. The acts of a majority of the Members present at a meeting at which a quorum of the Members is present shall be the acts of the Members.

Section 2. Quorum Calculation for Meetings of the Board. The presence at any meeting of the Board of a majority of the members of the Board shall constitute a quorum for any action, except as may otherwise be provided in these Bylaws, the NPC, the UPCA or the Declaration. Board members may not act by or through proxy holders, nor may Board members vote by mail. The acts of a majority of the Board members present at a meeting at which a quorum of the Board members is present shall be the acts of the Board.

Section 3. Adjournment of Annual, Monthly and Special Meetings of the Members. If any meeting of the Members cannot be organized because a quorum of the Members entitled to vote is not in attendance either personally, or by 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 case of any meeting called for the election or removal of a Board member or Board members, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of election or removal of a Board member or Board members.

b. In the case of any meeting called for any purpose other than to elect or remove Directors, 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, but the written notice of such second adjourned meeting, must state that those Members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter. The meeting notice must be given to each Member at least ten (10) days prior to the date of the second adjourned meeting.

Section 4. Adjournment of Meetings of the Board. If any meeting of the Board cannot be organized because a quorum of the members of the Board is not in attendance, then those members of the Board present may adjourn the meeting to such time, date and place as they may determine. If the minutes of the meeting reflect the time, date and location at which the adjourned meeting will be held, then those members of the Board who attend the adjourned meeting, although less than a quorum, shall nevertheless constitute a quorum for the purposes of exercising all powers of the Board and conducting all business of the Master Homeowners Association, including, but not limited to, casting votes, adopting resolutions, approving contracts, appointing committees and appointing successor Board members in accordance with the provisions of these Bylaws.

Section 5. Actions of Master Homeowners Association Members Without a Meeting. Any action required or permitted to be taken by a vote of the Members, except election and removal of members of the Board, may be taken without a meeting, by written, signed consents of at least the number of Members whose votes alone, would represent a quorum.

Section 6. Actions of Board Members Without a Meeting. Any action required or permitted to be taken by a vote of the members of the Board may be taken without a meeting, by written, signed consents of at least a majority of the members of the Board.

ARTICLE VIII
BOARD OF DIRECTORS' MEETINGS

Section 1. Meetings of the Board. The Board shall hold an annual meeting of the Board within ten (10) days after the annual meeting of the Members, at a date, place and time selected by the President and announced before the conclusion of the annual meeting, even if the President has not been reelected to serve on the Board. The annual meeting of the Board may be held, if selected by the President, immediately after the annual meeting of the Members. The Board may also hold such additional regular meetings throughout the year as the Board may deem necessary and appropriate to the performance of its duties and obligations, save that the Board must hold not less than one meeting per quarter. The meetings of the Board may be held without notice to the Members. Meetings of the Board may be held at the registered office of the Master Homeowners Association or such other place as the Board shall determine. The annual meeting of the Board shall be an organizational meeting for purposes of selecting Officers and conducting such other business as the Board may wish to conduct.

a. Regular meetings of the Board may be held without notice to the Members. Regular meetings of the Board shall be held as called by the Board President, or a majority of the members of the Board, at such time and at such place as the President of the Board shall determine. If a regular meeting of the Board is scheduled prior to the close of its prior meeting, then no notice of the regular Board meeting need be given to the Board members. If a regular meeting of the Board is not scheduled prior to the close of its prior meeting, then notice of the regular Board meeting must be given to the Board members by the Secretary by first class mail, postage prepaid, and/or by e-mail, facsimile mail, posting on the Board member's House, and/or by telephone not less than three (3) days prior to the meeting.

b. Special meetings of the Board may be held without notice to the Members. If a special meeting of the Board is scheduled prior to the close of any regular meeting of the Board, then no notice of the special Board meeting need be given to the Board members. If a special meeting of the Board is not scheduled prior to the close of a regular Board meeting, then notice of the special Board meeting must be given to the Board members by the Secretary by first class mail, postage prepaid, or by e-mail, facsimile mail, posting on the Board member's House and/or telephone not less than one (1) day prior to the meeting, except in the case of a situation in which a delay in meeting would accrue adverse consequences. If and when such an emergency occurs, a special meeting may be called as soon as practically possible.

c. Special meetings of the Board may be called by the President, or a majority of the Board members.

d. Notice of a regular Board meeting shall be deemed to have been received by a Board member if the regular meeting was scheduled on the record, during the course of a preceding regular Board meeting. Notice of a regular Board meeting shall also be deemed to have been received if given to the Board member personally, or by telephone, facsimile or e-mail, or by posting on the Board member's House, or by written notice from the Board Secretary by first class mail, postage prepaid.

e. Notice of special meetings of the Board shall be deemed to have been received by a Board member if the special meeting was scheduled on the record, during the course of a preceding regular or special Board meeting. Notice of a special Board meeting shall also be deemed to have been received if given to the Board member personally, or by telephone, facsimile or e-mail, or by

posting on the Board member's House, or by written notice from the Board Secretary by first class mail, postage prepaid.

f. If a meeting of the Board is adjourned, and the date upon which the adjourned meeting is to be reconvened is stated in the minutes of the adjourned meeting, then it shall not be necessary for the Secretary to issue notice of the reconvened meeting to the members.

g. The appearance of a Board member at a Board meeting, and/or his or her participation in a Board meeting for any purpose other than challenging lack of notice, shall be deemed to be a waiver of lack of notice, and/or any defect in receiving notice.

h. Except as may be determined by the Board from time to time or mandated by law, all meetings of the Board shall be closed meetings, save that the Board may open any Board meeting and request or permit attendance by any Member, the Managing Agent, the Master Homeowners Association's agents, servants, employees, contractors and professional advisors or consultants, and any other person authorized, invited or requested by the Board to attend a Board meeting, save that the President, or the Board by majority vote, may call any meeting of the Board into executive session at any time.

i. Members of the Board shall have the power to take action on behalf of the Master Homeowners Association in the absence of a meeting by obtaining the written approval of the action by a majority of all of the members of the Board then in office. Any action so taken shall be binding upon the Master Homeowners Association in the same manner, and be an act of the Master Homeowners Association, in the same manner as if done at a meeting.

Section 2. Quorum of Board. A quorum for Board action shall consist of a majority of the occupied positions on the Board at the time a meeting of the Board is called to order.

ARTICLE IX **VOTING PROCEDURES**

Section 1. Voting at Meeting. The representative of each Member in good standing who is present at a meeting of Members shall be the person who may cast the Member's vote. Votes may be cast in person by show of hands or written ballot, including secret ballots, as the Board may establish incident to the adoption of meeting rules and procedures, on all matters except the election of members of the Board. Balloting for the election or removal of members of the Board shall be conducted by secret written ballot or mail-in ballot, in a form to be prepared at the direction of the Secretary.

Section 2. No Proxies. The Members are not permitted to use or issue proxies for any purpose related to the administration, management and/or operation of the Association, nor for any election, voting procedure or any other purpose.

Section 3. Recusal. Any president or other representative of a Member and any member of the Board shall recuse himself or herself from voting on any issue involving a conflict of interest.

Section 4. Voting Rules and Procedures. In preparation for any annual, monthly or special meeting of the Members, the Board shall adopt voting rules and procedures for the meeting.

ARTICLE X
CONDUCT OF MEETINGS OF THE MEMBERS

Section 1. Rules. All meetings of the Members shall be conducted under such reasonable rules and procedures as the Board may from time to time adopt. The Board is 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 Bylaws, the Declaration, the NPC or the UPCA. *The Modern Rules of Order-A Guide for Conducting Business Meetings* by Donald A. Tortorice, Esquire; and except where they are inconsistent with the Declaration, the Act, the NPC or the UPCA, the said *Modern Rules of Order-A Guide for Conducting Business Meetings* shall apply during all of the meetings of the Members. If circumstances arise in which *The Modern Rules of Order-A Guide for Conducting Business Meetings* does not apply, then the latest edition of *The Standard Code of Parliamentary Procedure* by Alice Sturgis shall serve as the supplementary parliamentary authority.

Section 2. Presiding Officer. The President of the Board shall preside at all meetings of the Members, unless the President is absent, the office of the President is vacant, or the President is subject to removal from office as a member of the Board at the meeting, in which case the First Vice President shall preside at the Meeting. If the First Vice President is absent, or the office of the First Vice President is vacant, or if the First Vice President is subject to removal from the office of the First Vice President, then the Second Vice President shall preside over the meeting. If the Second Vice President is absent, or the office of the Second Vice President is vacant, or if the Second Vice President is subject to removal from the office of the Second Vice President, then the Secretary shall preside over the meeting.

Section 3. Minutes. The Secretary shall keep the minutes of all annual, monthly and special meetings of the Members, and record in a minute book all resolutions adopted at such meetings, the results of all elections and voting procedures, and such other matters as may be directed, requested or authorized by majority vote of the Members present at the meeting.

Section 4. Judges of Election and Tellers. At the time of, or in advance of, any meeting of the Members at which elections of members of the Board are intended to be held, the President may appoint two Village Council presidents who are not standing for election to the Board, and the Community Manager, to serve as judges of election and tellers. At the time of, or in advance of, any other meeting of the Members at which the Members will be casting votes the President may appoint two Home Owners, and the Community Manager, to serve as judges of election and tellers.

Section 5. Parliamentarian. At the time of, or in advance of, any meeting of the Members, the President may, but is not required to, appoint a parliamentarian to advise the President on the procedures for the conduct of a meeting of the Members.

Section 6. Executive Session. Except as may now or hereafter be limited or prohibited by prevailing law, the Board shall have the power to recess a meeting of the Members, so the Board may meet in executive session, without the Members being present, to review, consider and act upon confidential matters, including by way of example, but not by way of limitation: litigation matters, assessment collections, contracts and breaches of contracts, violations of the Governing Documents and any other matter which may be designated by the Board as a confidential matter.

ARTICLE XI
CONDUCT OF MEETINGS OF THE BOARD

Section 1. Rules. All meetings of the Board, shall be conducted under such reasonable rules and procedures as the Board may from time to time adopt. The Board is 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 Bylaws, the Declaration, the NPC or the UPCA. The Board may use such rules of order or parliamentary procedure as the Board may adopt by majority vote to govern the meetings of the Board; and in the absence thereof, the Board shall conduct business at its meetings in accordance with *The Modern Rules of Order-A Guide for Conducting Business Meetings*.

Section 2. Presiding Officer. The President of the Board shall preside at all meetings of the Board, unless the President is absent, the office of the President is vacant, or the President is subject to removal from the office of the President at the meeting, in which case the First Vice President shall preside at the meeting. If the First Vice President is absent, or the office of the First Vice President is vacant, or if the First Vice President is also subject to removal from the office of the First Vice President, then the Second Vice President shall preside over the meeting. If the Second Vice President is absent, or the office of the Second Vice President is vacant, or if the Second Vice President is subject to removal from the office of the Second Vice President, then the Secretary shall preside over the meeting.

Section 3. Minutes. The Secretary shall keep the minutes of all annual, monthly and special meetings of the Board, and record in a minute book all resolutions adopted at such meetings, the results of all elections and voting procedures, and such other matters as may be directed, requested or authorized by the Board.

Section 4. Executive Session. Except as may now or hereafter be limited or prohibited by prevailing law, the Board shall have the power to meet in executive session, without the Members being present, to review, consider and act upon confidential matters, including by way of example, but not by way of limitation: litigation matters, assessment collections, contracts and breaches of contracts, violations of the Governing Documents and any other matter which may be designated by the Board as a confidential matter.

ARTICLE XII
MEMBERS AND HOME OWNERS' OBLIGATIONS AND REQUIREMENTS

Section 1. Membership Obligations. Each Member, by reason of being a Member of the Master Homeowners Association, and by enjoying the benefits, directly, or indirectly, of being a Member of the Master Homeowners Association, and each Home Owner by reason of acceptance of the deed to a Lot, shall be deemed to have covenanted and agreed to perform, and to continue to perform throughout the term of their membership, all the duties and obligations imposed upon a Member and/or Home Owner by the Governing Documents of the Master Homeowners Association, without regard for whether set forth in the Member and/or Home Owner's deed, which obligations and duties shall include, but are not limited to, the payment of assessments, fees, fines, costs and charges.

Section 2. Membership Rights and Privileges. Except as provided herein, each Member and/or Home Owner shall be deemed to be in good standing and shall continuously enjoy all of the rights and privileges granted to a Member and/or Home Owner by the Governing Documents, or by the

duly authorized actions of the Membership and/or the Board, except as may be suspended by the Board in accordance with these Bylaws.

Section 3. Good Standing and Suspension of Membership Rights and Privileges. The membership rights and privileges of any Member and/or Home Owner, including the powers to vote, nominate a representative for election to the Board, have a representative stand for appointment as an Officer, have a representative serve or continue to serve as an Officer, have a representative stand for appointment to any committee, and to serve as a member of the Board or any committee, may be enjoyed only while a Member and/or Home Owner is in good standing. A Member and/or Home Owner shall be in good standing until such time as the Board suspends the Member and/or Home Owner's good standing status, whereupon the Member and/or Home Owner's membership rights and privileges shall be deemed to have been suspended by the Board.

Section 4. Suspension of Membership Rights and Privileges. Each Member and/or Home Owner, upon the adoption of these Amended Bylaws, shall be deemed to have irrevocably covenanted, agreed and consented to the suspension of the Member and/or Home Owner's membership rights and privileges upon vote of a majority of the Board determining that the Member and/or Home Owner is in material breach of one or more of the provisions of the Governing Documents. The Board shall give notice to the Member and/or Home Owner of the suspension of the Member and/or Home Owner's rights and privileges.

a. The Board may suspend the Member and/or Home Owner's membership rights and privileges for any period during which a Member and/or Home Owner is in material breach of any covenant, easement, restriction, rule or regulation contained in the Governing Documents. The suspension of a Member and/or Home Owner's good standing status and suspension of a Member and/or Home Owner's membership rights and privileges shall not bar the Board from levying or imposing such other penalties and sanctions, or pursuing such other remedies, as may be available to the Master Homeowners Association under the Governing Documents and prevailing law.

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

c. Without regard for the Member and/or Home Owner's good standing status, the Member and/or Home Owner's easements under the Declaration may not be suspended, terminated or impaired by the Master Homeowners Association.

d. A Member whose membership rights have been suspended shall not be in good standing, and may not continue to have a representative serve on, or stand for nomination, appointment or election to the Board, nor for appointment to, or to continue in service upon, any committee, nor stand for appointment or continued service as an Officer of the Master Homeowners Association, until the Member and/or Home Owner pays all sums due to the Master Homeowners Association, and/or cures the violation or violations, and returns to good standing.

e. The president or other representative of a Member whose membership rights have been suspended and good standing status has been suspended may continue to attend monthly meetings of the Members held during the term of the suspension, but the Member's president

or other representative may not vote at the meeting, nor stand for nomination or election to any office or position.

f. A Member and/or Home Owner who has cured the violation which resulted in the suspension of the Member and/or Home Owner's good standing status may petition the Board at any time for the restoration of the Member and/or Home Owner's good standing status; the Board shall also have the power to restore a Member and/or Home Owner's good standing status at any time upon its own motion.

Section 5. Procedure for Suspension of Good Standing Status. The procedure for suspension of good standing status shall be as follows:

a. Good standing may be suspended at any time after a material breach of the Governing Documents, upon majority vote of the Board. The Board's Secretary shall give any Member and/or Home Owner ten (10) days' notice of the suspension of the Member and/or Home Owner's good standing status and the suspension of the Member and/or Home Owner's rights and privileges. The notice shall be transmitted in accordance with the procedures stated in these Bylaws. The notice shall set forth the nature of the violation or violations, and advise the Member and/or Home Owner of the Member and/or Home Owner's right to make a written request to appear before the Board to appeal the revocation and suspension. The suspension notice to the Member and/or Home Owner may be incorporated into any other notice transmitted to the Member and/or Home Owner in accordance with the procedures stated in the Governing Documents.

b. A Member and/or Home Owner may make a written request to appear before the Board to appeal the suspension. The Member and/or Home Owner's written request to appear before the Board to appeal shall be served upon the Master Homeowners Association's Managing Agent, or Secretary in the absence of a Managing Agent, within ten (10) days from the date of the Member and/or Home Owner's receipt of the suspension notice from the Board. The Secretary shall schedule an appeal hearing, and all parties shall proceed in accordance with the applicable due process provisions of the Governing Documents.

c. If, during the notice period, or prior to any appeal hearing, the violations are fully cured, as determined by the Board, then the Board shall rescind the suspension, but the Board may impose a fine for the breach and/or levy an assessment against the Member and/or Home Owner for any costs or fees incurred by the Board, including reasonable attorneys' fees, in obtaining the cure.

d. If the Member and/or Home Owner has not fully cured all breaches prior to the appeal hearing, the Board may, after giving the Member and/or Home Owner an opportunity to be heard, and in addition to any other penalties, fines and/or sanctions available, continue the suspension of the membership rights and privileges of the Member and/or Home Owner for a period not longer than the period of time the Member and/or Home Owner takes to fully cure the breaches. The Member and/or Home Owner, and the Master Homeowners Association, may be represented by counsel at the appeal hearing.

e. A Member and/or Home Owner may present a written petition to the Board at any time stating the action taken by the Member and/or Home Owner to cure its breaches of the Governing Documents, and requesting that the Board take action to determine whether the violation has been fully cured, and to restore the Member and/or Home Owner's good standing status and

membership rights and privileges. The Board may act upon the petition, or it may hold a hearing to consider the Member and/or Home Owner's petition. The Board must provide the Member and/or Home Owner with prompt written notice of the action taken upon such a petition, including a description of any additional remedial action, if any, which a Member and/or Home Owner is required to perform to fully cure the Member and/or Home Owner's breaches of the Governing Documents.

f. Procedures before the Board on any hearing with respect to any Member and/or Home Owner's good standing status shall be conducted by the Board in accordance with the applicable provisions of such due process procedures as may be stated in these Bylaws, and such Rules and Regulations as may be adopted by the Board from time to time.

ARTICLE XIII **BOARD OF DIRECTORS**

Section 1. Number. The affairs of the Master Homeowners Association, including, but not limited to, levying and collecting all assessments and sums due from the Members to the Master Homeowners Association, and the administration, management and operation of the Master Homeowners Association and the maintenance, repair and replacement of the Common Area, shall be managed by a Board consisting of five (5) natural individuals.

Section 2. Qualifications of Board Members. Each Board member must be a Village Council president. Board members who are replaced as the president of their Village Council shall be deemed to have automatically resigned from the Board, but they may stand for reelection to the Board if they are reelected to the presidency of a Village Council. The members of the Board must represent Members of the Master Homeowners Association who are in good standing. A member of the Board who represents a Member whose good standing is suspended shall be deemed to have automatically resigned from the Board, and as an Officer of the Master Homeowners Association if applicable, on the same date that the Master Homeowners Association issues a notice of suspension to the Member. All the members of the Board must reside at Hershey's Mill.

Section 3. Election. Except as stated below with respect to the first Board to serve after the period of Declarant control ends, and except for Board members appointed by the Board upon a vacancy, or removed and replaced by the Members, Board members must be elected by the Members at the Master Homeowners Association's annual meeting in accordance with such nomination and election procedures as are stated herein, and as may from time to time be established by the Board. To be eligible for nomination for Director, a candidate must submit a Candidate Information Form (CIF) to the Nominating Committee no later than the date set by the Board. The Nominating Committee shall review the submissions and annually in June shall present to the Master Homeowners Association the slate of candidates for the open positions on the Board. At the time the slate is announced in June, nominations from the floor shall be in order, but only if each nominee submits a CIF to the voting members present at the said meeting. Each candidate nominated from the floor shall also be required to submit a CIF within three (3) days of the annual meeting to every president of the villages not represented at the said meeting. Each candidate for Director shall have the privilege of speaking on his or her own behalf for up to five (5) minutes or relinquishing all or part of the time for one or more endorsers to speak.

Section 4. Term of Office. The term of office of each Board member shall be two (2) years from the date of the July annual meeting at which the Board member is elected; save that a Board

member's term shall terminate if the Board member is replaced as the president of his or her Village Council, in which case the Board member shall be deemed to have automatically resigned from the Board and any Officer's position he or she may hold.

Section 5. Two Classes. The members of the Board shall consist of two (2) classes. Commencing in 2002, and every even numbered year thereafter, two (2) year terms of office shall commence for two (2) members of the Board; and commencing in 2003, and every odd numbered year thereafter, two (2) year terms of office shall commence for three (3) members of the Board.

Section 6. No Compensation. No member of the Board shall be compensated for performing his or her duties as a member of the Board; however, upon majority vote of the Board, Board members may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties.

Section 7. Fidelity Insurance. If authorized by majority vote of the Board, then the Master Homeowners Association may maintain a fidelity bond, and/or comprehensive disappearance and dishonesty insurance of the type commonly referred to as a "dishonesty, disappearance and destruction" insurance policy, or the current equivalent coverage, as the Board may direct. Any dishonesty, disappearance and destruction insurance policy carried shall provide coverage against dishonest acts on the part of members of the Board, Officers, committee members, the Managing Agent, employees, servants, agents and contractors of the Master Homeowners Association, and all others who may now or hereafter handle, or be made responsible for the handling of, any money or funds belonging to the Master Homeowners Association. Any such dishonesty, disappearance and destruction insurance or bond held by the Master Homeowners Association shall be held in the name of the Master Homeowners Association as the obligee or insured.

a. Any such bond or insurance maintained by the Master Homeowners Association shall be written in an amount equal to \$1,000,000 or such amount as the Board may determine to be usual and customary at the time of reference; and

b. Such a bond or insurance must contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expressions or definition; and

c. Such a bond or insurance must provide that it may not be canceled or substantially modified, including, but not limited to, cancellation for nonpayment of a premium, without at least thirty (30) days prior written notice to the Board of the proposed modification and/or cancellation.

ARTICLE XIV
ELECTION, RESIGNATION AND REMOVAL
OF BOARD OF DIRECTORS MEMBERS

Section 1. Nomination of Candidates for Board. Annually at the June monthly meeting of the Master Homeowners Association, the Nominating Committee shall announce the slate of candidates for the open positions on the Board. Nominations from the floor shall be permitted, subject to the conditions specified in Article XIII Section 3.

a. Each candidate for election to the Board must be a Village Council president as of the date of the meeting at which the Members will be casting ballots for the election of the members of the Board.

b. Every candidate for election to the Board must represent a Member of the Master Homeowners Association who is in good standing.

c. Every candidate for election to the Board must reside at Hershey's Mill.

d. Every candidate for election to the Board must provide the Nominating Committee with the CIF.

e. The notice of the June monthly meeting of the Master Homeowners Association must include the CIFs of all the candidates who are nominated for election to the Board.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot or mail-in ballots, if authorized by the Board in establishing the annual meeting rules and procedures. The candidates for election who receives the highest number of votes shall be elected. Cumulative voting by Members shall not be permitted.

Section 3. Resignation. Any member of the Board may resign at any time, for any reason, upon written notice to the Secretary, or in the Secretary's absence, to the Board President. No voluntary resignation of a Board member may be rescinded, retracted or canceled except upon a majority vote of the Board. Resignation shall not affect or impair the rights of the former Board member to indemnification, subject to the provisions of these Bylaws.

Section 4. Deemed Resignations. Should any Board member sell, convey, assign or transfer title to his or her Lot, lose title to his or her Lot through foreclosure, deed in lieu of foreclosure or other judicial proceedings, be replaced as the president of a Village Council, or should the Member which the Board member represents have its good standing status suspended, then automatically, without any act by the Board member, and concomitantly with the transfer of title, replacement as the president of a Village Council, or the issuance of a notice of suspension of the Board member's community's good standing as a Member of the Master Homeowners Association, the Board member shall be deemed to have automatically resigned his or her position on the Board. The unexcused absence of a Board member from three (3) consecutive meetings of the Board shall also be deemed to be an automatic resignation from the Board. A deemed resignation shall not affect or impair the rights of the former Board member to indemnification, subject to the provisions of these Bylaws.

Section 5. Removal. Any or all of the Board members may be removed from the Board at any time, with or without cause, by the affirmative vote of a majority of all the Members of the Master Homeowners Association entitled to vote at a meeting of the Members. Subject to the Board's adoption of meeting rules and procedures, a successor to replace a removed Board member may be nominated and elected by the Members at the meeting at which the Board member is removed. However, the successor shall only serve out the balance of the term of the removed Board member, after which term the successor Board member may stand for election to the Board for a full term. Removal

will not affect or impair the rights of the former Board member to indemnification, subject to the provisions of these Bylaws.

Section 6. Vacancies. In the event of the death, resignation or deemed resignation of a Board member, the Board member's successor must be selected from the remaining Village Council presidents and appointed by majority vote of the remaining Board members within thirty (30) days after the vacancy to serve out the balance of the unexpired term in respect of which such vacancy occurred.

ARTICLE XV

BOARD OF DIRECTORS' POWERS

Section 1. Powers of the Board. The Board shall have authority and power to exercise all those powers vested in the Master Homeowners Association, as set forth in the NPC, the Articles of Incorporation, these Bylaws, Article II, Section 2.3 of the Declaration, and all applicable law, including, but not limited to, the provisions of the UPCA now or hereafter made applicable to the Master Homeowners Association, and not otherwise specifically vested in the Members in the Governing Documents. By way of illustration, but not by way of limitation, the powers of the Board shall include the authority and power to:

- a. Call annual, monthly and special meetings of the Members; and
- b. Administer, manage, maintain, repair, restore, develop, insure, improve, replace (or elect not to replace) and operate the Master Homeowners Association and all real property owned or acquired by the Master Homeowners Association; and
- c. Appoint, employ and remove at the Board's pleasure, provided that the Board shall not enter into any contract with a term greater than twelve months without first obtaining the consent of a majority of the Members, such Officers, independent contractors, Managing Agents, agents, servants and employees of the Master Homeowners Association, 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
- d. Prepare and submit to the Members for their approval the annual budget of the Master Homeowners Association, and to propose adjustments to, and republish the annual budget if such adjustments are approved by a majority of Members, as the Board may deem necessary during the course of the Master Homeowners Association's fiscal year. The Board may authorize expenditures of Master Homeowners Association funds disclosed in the annual budget. Except for emergency expenditures, the Board may not authorize expenditures of Master Homeowners Association funds which are not disclosed in the annual budget except upon first obtaining approval from a majority of the Members. Emergency expenditures of Master Homeowners Association funds are those expenditures, if any, which may become necessary in order to: comply with any order of any court or any federal, state or local body or agency having jurisdiction over the Master Homeowners Association and/or the Declared Hershey's Mill Land; preserve the health, safety or welfare of one or more of the people who reside at Hershey's Mill from threat of immediate harm; and/or preserve or protect the appearance, function or use of the Common Area and/or the Common Improvements from immediate, material damage, impairment or destruction; and

e. Subject to the approval of a majority of Members, adopt, establish, levy and assess assessments, costs, fees, interest, late fees, expenses, charges and fines against the Members; to determine in its sole discretion payment due dates, including quarterly or monthly due dates, for all assessments, costs, fees, interest, late fees, expenses, charges and fines; and to enforce and collect all assessments, costs, fees, interest, late fees, expenses, charges and fines and any other sum due to the Master Homeowners Association as may be provided in the Governing Documents or applicable law; and

f. Adopt, amend, withdraw, enforce and publish Rules and Regulations governing the administration, maintenance, enjoyment and use of the Declared Hershey's Mill Property, the personal conduct of the Members and Home Owners on the Declared Hershey's Mill Property, to establish architectural standards, specifications, requirements and procedures, and levy and collect fines against the Members and/or Home Owners for breaches and/or violations of the Governing Documents, and the administration and operation of the Master Homeowners Association; and

g. Subject to the approval of a majority of Members, borrow money on behalf of the Master Homeowners Association and mortgage, pledge and/or assign the Master Homeowners Association's right to receive future income, including accounts receivable and assessments due to the Master Homeowners Association, as security for the loan; and

h. Acquire by gift or otherwise, purchase, sell, lease, transfer or otherwise own, hold, convey or dispose of, and/ or dedicate to any municipal, county or state agency, the real and personal property of the Master Homeowners Association, as may be deemed necessary by the Board in furtherance of the purposes of the Master Homeowners Association, subject to the provisions of the Governing Documents, applicable law and the following:

(i) The Board may not make any material purchase, sale or conveyance of real property, nor may it mortgage, lease or otherwise dispose of, or alienate any material part or portion of the Common Open Space unless the transaction is first recommended by majority vote of the Board to the Members, and subsequently approved by majority vote of the Members; and

(ii) If the Members vote to permit the Board to make any material purchase, sale or conveyance of real property, without regard for whether it is part of, or is intended to be added to, the Common Open Space, and if the real property is subject to a trust, then the conveyance shall be free of the trust, and the proceeds of the conveyance shall be held in trust; and

(iii) A purchase, sale or conveyance of real property, without regard for whether it is part of, is intended to be added to, the Common Open Space, shall be deemed to be material if the appraised value of the real property which is being purchased, sold or conveyed is in excess of Five Thousand (\$5,000.00) dollars.

i. Suspend a Member's good standing status, and incident thereto to suspend the Member's membership rights and privileges, for any material violation of the Governing Documents, including, but not limited to, failure to pay any assessment, charge, fee, fine, expense or cost due from the Member under the Declaration and/or Rules and Regulations, for violation of any use or architectural restriction, and/or for violation of any Rule and Regulation; and

j. File, prosecute, withdraw, settle, compromise, arbitrate, including binding arbitration if approved by the Board, or defend any cause of action in any court, in the name of the Master Homeowners Association, subject to such limitations as may now or hereafter be stated in the Governing Documents or applicable law; and

k. Acquire by purchase, gift, bequest, devise, sale, assignment, lease or other conveyance of real property; and

l. Appoint committees comprised of Members to assist the Board in the performance of its duties and obligations; and

m. Open, hold, maintain and close such accounts with banks, brokers or other financial institutions as the Board may from time to time deem necessary and appropriate for deposit of the Master Homeowners Association's funds, including by way of example but not by way of limitation, checking and savings accounts, certificates of deposit and mutual funds; and

n. Waive or grant temporary exceptions from the application of, or obligation to comply with, those portions of the Governing Documents regarding the use and enjoyment of the Declared Hershey's Mill Property, as may be necessary to obtain or reach "reasonable modifications" and/or "reasonable accommodations" with, or for the benefit of, handicapped residents, as those terms may now or hereafter be defined in the Pa. Human Relations Act, and/or the Federal Fair Housing Amendments Act, or any similar or succeeding statute, residents in order to permit full use and enjoyment of the Declared Hershey's Mill Property by a handicapped resident, subject to the Board's power to terminate the waiver or exception when a handicapped resident terminates his or her use or occupancy of a House; and

o. Grant easements, leases, licenses and concessions; and

p. Use and expend any sums collected as assessments for the administration, maintenance, management, repair, restoration, improvement, replacement (or to take action for non-replacement) and operation of the Master Homeowners Association, as well as any real property which may be acquired by the Master Homeowners Association and the improvements now or hereafter made and/or erected thereon subject to the limitation that all real property acquired by the Master Homeowners Association shall be designated Common Area, except for Lots, if any, which may be purchased by the Master Homeowners Association to protect its assessment lien, or to collect a judgment against the Home Owner of the Lot; and

q. Maintain reserve funds adequate for the anticipated major repairs and replacements of the Common Area and the improvements thereon; and

r. Subject to applicable law, pay all taxes and assessments, if any, levied or assessed against any real property which may be acquired by the Master Homeowners Association, and improvements that may be owned by the Master Homeowners Association, exclusive of any tax or assessments levied against any Lot or otherwise chargeable against any Member; and

s. Enter into a contract for professional management services upon terms and conditions determined to be acceptable by the Board in accordance with the provisions of these

Bylaws, provided that the Board shall not enter into any contract with a term greater than twelve months without first obtaining the consent of a majority of the Members; and

t. Contract for, employ or retain professionals, including accountants, architects, engineers and lawyers to provide the Board with advice, guidance and services, and to fix the compensation of such professionals, provided that the Board shall not enter into any contract with a term greater than twelve months without first obtaining the consent of a majority of the Members; and

u. All such other powers as are appropriate and necessary to conduct the business and affairs of the Master Homeowners Association in the manner contemplated by the Governing Documents.

ARTICLE XVI

BOARD OF DIRECTORS' DUTIES

Section 1. General Duties of the Board. It shall be the duty of the Board members to act as fiduciaries for the Master Homeowners Association in the administration, operation and management of the business affairs of the Master Homeowners Association and the Declared Hershey's Mill Property.

a. Each Board member shall faithfully perform the duties and obligations of the Master Homeowners Association as set forth in the Articles of Incorporation, these Bylaws and the Declaration in good faith, in the best interests of the Master Homeowners Association, as a person of ordinary prudence would use under similar circumstances including reasonable inquiry, diligence and skill.

b. In the performance of their duties, the Board members may rely upon opinions, information, guidance or reports received from the Master Homeowners Association's accountants, architects, engineers, legal counsel, Managing Agent and similar professionals, as well as Master Homeowners Association committees, and other persons, including Board members, as may be permitted by Sections 5712(a) of the NPC, and 5303 of the Act.

c. Without regard for the source or nature of the proposal or request, all proposals and requests for the Master Homeowners Association to assume or perform new duties, that is duties which are not set forth or established in the Governing Documents, the Act or the NPC, must be referred to the Board for review, consideration and investigation. The Board must make a written recommendation of approval or disapproval to the Members, and the Members must approve the new duty by vote or written agreement of sixty-seven (67%) percent of the Members.

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

a. Cause a complete record of all of its acts and all corporate affairs to be kept; and

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

c. Call annual and monthly meetings of the Members, as stated herein, or special meetings when deemed necessary by the Board or when a special meeting is requested by the required number of Members; and

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

e. Issue, or cause an appropriate Officer or authorized agent to issue, upon demand by any Member or first mortgagee, the Estoppel Certificate required to be issued under the Declaration, prevailing law and any Rules and Regulations adopted by the Board upon the sale, conveyance or other transfer of the title to a Lot; and

f. Administer, manage, maintain, repair, restore, develop, insure, improve, replace (or elect not to replace) and operate any real property the Master Homeowners Association may own or acquire and all improvements thereon, as well as the Master Homeowners Association's personal property, in accordance with the Governing Documents, subject to the limitation that with the exception of Lots purchased by the Master Homeowners Association to protect the Master Homeowners Association's assessment lien, or purchased by the Master Homeowners Association to collect a judgment against a Home Owner, all real property acquired by the Master Homeowners Association shall be, and shall be deemed to be, Common Area; and

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

h. Levy, assess, enforce and collect all assessments, costs, fees, fines, expenses, interest or charges provided for in the Declaration, these Bylaws, the Act and/or rules and regulations; and

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

j. Open and maintain accounts with such banks and/or financial institutions as the Board may deem appropriate to meet the financial needs and circumstances of the Master Homeowners Association, save that in selecting all accounts in which Master Homeowners Association funds are held as reserve or contingency funds for future major repairs, replacements and expenses, the 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; and

k. Enforce compliance by the Members and Home Owners with the covenants, easements, restrictions, terms, conditions and provisions of the Governing Documents; and

l. Subject to the approval of a majority of the Members, adopt annual budgets for all Common Expenses of the Master Homeowners Association and publish the annual budget to the Members on or before the date of the regular October meeting of the Members of the Master Homeowners Association; and

m. All such other duties as are appropriate and necessary to conduct the business and affairs of the Master Homeowners Association.

ARTICLE XVII **CONFERENCE TELEPHONE**

Section 1. Participation in Member Meetings by Conference Telephone. The Members of the Association may participate in meetings of the Members by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other. The members of a committee may not participate in the meetings of the committee by means of a conference telephone or similar communications equipment. No Member who attempts to, or does, establish contact with a meeting of any committee by means of a conference telephone or similar communications equipment shall be deemed present at the committee meeting for purposes of quorum calculations.

Section 2. Participation in Board Meetings by Conference Telephone. One (1) or more members of the Board may participate in a meeting of the Board, or any committee meeting, or any meeting of the Members of the Master Homeowners Association, by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other. Participation by a Board member in a meeting pursuant to this Article shall constitute presence in person for purposes of quorum calculations.

ARTICLE XVIII **OFFICERS**

Section 1. Officers. The Officers of the Master Homeowners Association shall consist of a President, a First Vice President, a Second Vice President, a Secretary and a Treasurer. The office of the President, as well as the offices of the First Vice President and Second Vice President, must be held by members of the Board. The office of the Secretary and the office of the Treasurer may be held by members of the Board or by the president of any Member of the Master Homeowners Association, as may be determined by the Board. All Officers of the Master Homeowners Association other than the President shall also be deemed to be Assistant Secretaries. Except for the office of Assistant Secretary, no Board member and no Member of the Master Homeowners Association may hold more than one of these offices. Officers who are not members of the Board may attend meetings of the Board. Officers who are not members of the Board may be recognized by the President and heard at meetings of the Board or the Members. However, Officers who are not members of the Board may not vote in any matter coming before the Board for a vote.

Section 2. Election of Officers. The Officers shall be elected at the annual meeting of the Board, by such method as may be determined by majority vote of the members of the Board.

Section 3. Terms of Officers. All Board Officers shall hold office for a term of one (1) year following the July annual meeting of the Board. However, an Officer's term may not extend

beyond the Officer's term of office as a member of the Board. No member of the Board may hold the office of President for more than three (3) consecutive one-year terms, after which time a full year must elapse before the Board can re-elect the said person as President.

Section 4. Resignation and Removal. Any Officer may resign at any time by giving written notice to the Secretary. Notice of resignation shall take effect on the date of the Secretary's, or if the Secretary is resigning the President's receipt of such notice. Any Officer may be removed at any time, for any reason, by majority vote of the Board, or by majority vote of the Members. No voluntary resignation of an Officer may be rescinded, retracted or canceled except upon approval by a majority vote of the Board. Resignation or removal shall not affect or impair the rights of the former Officer to indemnification, subject to the provisions of these Bylaws.

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

Section 6. President. The Board President shall:

- a. Preside at all meetings of the Board; and
- b. Preside at all meetings of the Members; and
- c. Exercise the general power of managing the affairs of the Master Homeowners Association; and
- d. See that orders and resolutions of the Board are carried out; and
- e. Except as may be otherwise stated in the Governing Documents, the Act, the NPC, or as determined by the Board, sign agreements, contracts, notes, checks, leases, mortgages, deeds and all other written instruments on behalf of the Master Homeowners Association; and
- f. Serve as an ex-officio, non-voting member of all committees; and
- g. Possess all the powers and duties ordinarily attributable to the chief executive officer of a Pennsylvania Non-Profit Corporation.

Section 7. First Vice President. The First Vice President shall perform all the duties of the President in the President's absence, and such other duties as may be assigned by the Board. The First Vice President shall also be deemed to be an Assistant Secretary.

Section 8. Second Vice President. The Second Vice President shall perform all the duties of the President in the President's absence, and such other duties as may be assigned by the Board. The Second Vice President shall also be deemed to be an Assistant Secretary.

Section 9. 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 Board and the Members in a book to be kept for the purpose. The Secretary shall have charge of, and shall keep and record, or cause to be kept and recorded, the Seal of the Master Homeowners Association and affix it, if necessary, upon documents. The Secretary shall also:

- Members; and
- a. Prepare and transmit notices of meetings of the Board and of the
 - b. Prepare all ballot forms; and
 - c. Hold and preserve in the Association's records all ballots cast by the Members for a period of ninety (90) days after the meeting at which the ballots are cast or exercised; and
 - d. Have charge of, and shall carry out, receive, transmit and keep records of all correspondence, notices and communications between the Master Homeowners Association, its Members, the Board and all other persons, partnerships, corporations, government agencies and bodies, and other entities who may correspond or do business with the Master Homeowners 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 Board, if any, as may be required by law; and
 - e. Have charge of, and prepare, maintain and keep 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 address of each new Member; and
 - f. Perform such other duties as the Board may from time to time assign to the Secretary; and
 - g. In performing the aforesaid functions and duties, the Secretary may act by and through, and with the aid and assistance of an Assistant Secretary, other Board members, or the Managing Agent if one is retained, as may be authorized by the Board. The Board may also appoint a Recording Secretary to record the minutes of meetings of the Board and meetings of the Members.

Section 10. Treasurer. The Treasurer shall have charge of, and shall receive and deposit into accounts designated by the Board, all monies of the Master Homeowners Association, and disburse such funds as directed by the Board. The Treasurer shall also:

- Association; and
- a. Keep the books and financial records of the Master Homeowners
 - b. Keep correct, complete and proper books of account; and
 - c. Prepare an annual budget for review and a recommendation for adoption by the Members of the Master Homeowners Association, together with an annual statement of income and expenses; and
 - d. Present the annual budget and annual statement to the Members at the appropriate meetings, save that a presentation need not be made by the Treasurer if the annual budget and annual statement are forwarded to the Members together with the notice of a meeting; and
 - e. Not later than June 30th of each year the Treasurer shall present to the Board an annual report, audited and certified by a certified public accountant (the expense of which shall be, and shall be levied as, a Common Expense) prepared in accordance with the applicable

provisions of the AICPA Audit and Accounting Guide for Common Interest Realty Associations. The annual report shall show in appropriate detail the following data as of the end of the fiscal year immediately preceding the date of the report: the assets and liabilities of the Master Homeowners Association; the principal changes in assets and liabilities; the revenue or receipts of the Master Homeowners Association both restricted and unrestricted to particular purposes; and the expenses or disbursements of the Master Homeowners Association for both general and restricted purposes; and

f . In performing the aforesaid functions and duties, the Treasurer may act by and through, and with the aid and assistance of, an Assistant Treasurer, or the Managing Agent if any is retained, as may be authorized by the Board; and

g . The Treasurer shall also be deemed to be an Assistant Secretary.

Section 11. Delegation by Secretary and Treasurer. The Secretary and/or Treasurer may delegate some, or all, of their book and record keeping functions to the Managing Agent if authorized by the Board to do so. But if the Board authorizes the Secretary and/or Treasurer to delegate any of their book and record keeping functions to the Managing Agent, then the Secretary and the Treasurer shall be required to perform, and to continue to perform, all of their other functions and duties.

ARTICLE XIX **COMMITTEES**

Section 1. Presidential Appointment of Committees. Except as stated in Sections 2, 5 and 9 below regarding the specifically named standing committees, the President may appoint, reappoint, change the function and duties of, change the size of, suspend and terminate such committees as the President may from time to time deem desirable.

Section 2. Board Appointment of Standing Committees. The standing committees required by Sections 5 and 9 below shall be appointed by the Board annually. Standing committees shall be appointed by the Board by the regular January meeting of the Master Homeowners Association.

Section 3. Term of Service. The term of service for all committee members shall be one (1) year. The number of terms of service which a Home Owner may serve is not limited.

Section 4. Service on Committees Appointed by the President. Committees appointed by the President, the members of committees appointed by the President, and the chairpersons of all committees, including standing committees, shall serve at the pleasure of the President subject to the following limitations:

a. The size, functions, powers, and duties of each Presidential committee shall be determined by the President, and any one or more of the Home Owners who reside at Hershey's Mill may be appointed to serve on any Presidential committee.

b. Any member of any Presidential committee may be removed from that committee by the President at any time, with or without cause.

c. An appointment to a Presidential committee may be made by the President at any time.

d. The President, with the advice of the Board, shall appoint the chairperson of all committees. All chairpersons shall serve at the pleasure of the President. All chairpersons must be Home Owners who reside at Hershey's Mill.

e. A committee appointed by the President shall perform only those functions and duties specifically assigned to it by the President, save that no committee appointed by the President may perform any duty or function assigned to any standing committee. The President may not give or assign any power or duty specifically reserved to the President in these Bylaws to any committee appointed by the President. The primary functions of committees appointed by the President are to prepare reports for the President, and to operate as fact finders and advisors to the President. The President may accept or reject reports, facts, advice and/or suggestions received from any committee appointed by the President.

f. The President may establish the procedures by which a committee appointed by the President must proceed within its assigned scope of responsibility, and committees appointed by the President may adopt internal operating procedures not in conflict with these Bylaws, and any instructions received from the President.

g. The President and/or the Board may appoint members of the Board, Officers of the Master Homeowners Association and/or Home Owners to liaise with any Presidential committee.

h. The President and/or the Board may appoint persons who are not Home Owners to serve as consultants to committees, but such consultants are not members of committees.

i. One or more of the members of a committee appointed by the President may resign at any time upon written notice to the President, and committee members shall automatically be deemed to have resigned upon the sale or any other conveyance of a committee member's House.

Section 5. Service on Committees Appointed by the Board. The members of the standing committees shall serve at the pleasure of the Board subject to the following limitations:

a. The size, functions, powers and duties of each standing committee shall be determined by the Board, and any one or more of the Members and/or Home Owners may be appointed to serve on any standing committee, save that the chairpersons of all standing committees must be Home Owners who must reside at Hershey's Mill.

b. Except for chairpersons who may be removed only by the President, any member of any standing committee may be removed from that standing committee by a majority vote of the Board at any time, with or without cause.

c. An appointment to a standing committee may be made by the Board at any time.

d. The President, with the advice of the Board, shall appoint the chairperson of each standing committee, except that of the Nominating Committee, which shall select its own chairperson. The chairperson shall serve at the pleasure of the President. The chairperson must be a Home Owner who resides at Hershey's Mill.

e. A standing committee shall perform only those functions and duties stated below in Section 10, and those powers and duties, if any, specifically granted to it by the Board. No committee appointed by the Board may perform any duty or function assigned to any committee appointed by the President. The Board may not give or assign any power or duty specifically reserved to the Board in these Bylaws to any standing committee. The primary functions of standing committees are to prepare reports for the Board, and to operate as fact finders and advisors to the Board. The Board may accept or reject reports, facts, advice and/or suggestions received from any committee appointed by the President and/or any standing committee.

f. The Board may adopt procedures and/or establish rules and regulations by which a standing committee shall proceed within its assigned scope of responsibility. Standing committees may adopt internal operating procedures not in conflict with these Bylaws and any instructions received from the Board.

g. The Board may appoint members of the Board, Officers and/or Home Owners to liaise with any standing committee.

h. The Board may appoint persons who are not Home Owners to serve as consultants to standing committees, but such consultants are not members of standing committees.

i. Standing committee members may resign at any time upon written notice to the President and/or the Secretary, and standing committee members shall automatically be deemed to have resigned upon the sale or any other conveyance of a committee member's House.

Section 6. Committee Meetings. Committees may meet from time to time regarding those matters which are within the scope of the functions assigned to a committee. Committee meetings may not be called to order unless a quorum of the committee members is present. A quorum of the committee members will be a majority of the committee members.

a. Minutes must be taken at all committee meetings.

b. Copies of the minutes of a committee meeting must be given to the President and the Secretary of the Master Homeowners Association within thirty (30) days after every meeting of a committee.

c. A committee may invite a Board member, Officer, the Managing Agent, or any of the Master Homeowners Association's employees, contractors, suppliers or vendors to attend a committee meeting for the purpose of providing information necessary for the deliberations of the committee. The invitee shall be excused at the end of his or her presentation, or at such time as the committee may determine.

Section 7. Reports from Committees Appointed by the President. Committees appointed by the President shall prepare and submit reports to the President as directed by the President.

a. From time to time, the President may request or direct any committee appointed by the President to prepare and submit a report, and/or to provide the President with other assistance. The committee to which the President's request is directed must thereafter research, prepare

and provide the President with the requested report, or such other assistance as the President may have requested. All reports prepared by committees appointed by the President are to be submitted to the President. The President may publish such reports to the Board. The President, with the advice of the Board, shall have the power to determine when, how and if such reports will be published to the Members.

Section 8. Reports from Standing Committees. All standing committees must prepare and submit at least one annual report to the Board by January 31 of each year. Subject to Board review and approval, standing committee reports will be published at the April meeting of the Master Homeowners Association.

a. From time to time the Board may request or direct any standing committee to prepare and submit a report and/or to provide the Board with other assistance. The standing committee to which the Board's request is directed must thereafter research, prepare and provide the Board with the requested report, or such other assistance as the Board may have requested. All standing committee reports are to be submitted to the Board. The Board alone shall have the power to determine when, how and if such reports from a standing committee will be published to the Members.

Section 9. Standing Committees. The Master Homeowners Association shall operate with the following standing committees: Security Committee, Landscape/Grounds Maintenance Committee, Finance Committee, Insurance Committee, Community Center Committee, Library Committee, Marketing Advisory Committee, Sullivan House Committee, Bus Committee, Woodshop Committee, Pool Committee, Racquet Club Committee, Garden Committee and Nominating Committee.

Section 10. Standing Committee Functions. The standing committees shall function as follows:

a. Security Committee. The Security Committee shall deal with issues involving security operations and perform any other duties or functions assigned to it by the Board. The Master Homeowners Association's chief of security shall serve as a nonmember consultant to the Security Committee.

b. Landscape/Grounds Maintenance Committee. The Landscape/Grounds Maintenance Committee shall perform all those functions stated in the Governing Documents, and perform any other duties or functions assigned to it by the Board. The person designated by the Board as a representative of the Master Homeowners Association's professional landscape company that services the Common Open Space shall serve as a nonmember consultant to the Landscape/Grounds Maintenance Committee.

c. Finance Committee. The Finance Committee shall prepare in conjunction with the Managing Agent the annual budget for approval by the Board of Directors and the Master Homeowners Association; review the monthly financial statements and recommend measures as appropriate; review the management of the reserve investment portfolio and recommend steps for optimization; and perform any other duties or functions assigned to it by the Board.

d. Insurance Committee. The Insurance Committee shall prepare insurance specifications for the Master Homeowners Association, the Green Hill Sewer Board Association, and the Village Homeowners Associations; designate qualified companies and their brokers or agents to

present insurance proposals; negotiate insurance contracts for subsequent approval by the Master Homeowners Association, the Green Hill Sewer Association, and Village Homeowners Associations, with individual decision resting with each entity; and perform any other duties or functions assigned to it by the Board.

e. Community Center Committee. The Community Center Committee shall oversee the usage and maintenance of the interior and exterior of the Hershey's Mill Community Center, and perform any other duties or functions assigned to it by the Board.

f. Library Committee. The Library Committee shall oversee the usage and operation of the library, and perform any other duties or functions assigned to it by the Board.

g. Sullivan House Committee. The Sullivan House Committee shall oversee the usage and maintenance of the interior and exterior of the Sullivan House, and perform any other duties or functions assigned to it by the Board.

h. Bus Committee. The Bus Committee shall oversee the utilization, staffing and maintenance of the bus, as well as the service and recreation activities provided by the bus, and perform any other duties or functions assigned to it by the Board.

i. Woodshop Committee. The Woodshop Committee shall oversee the equipment, maintenance, safety and activities of the John Kriebel Woodshop, and perform any other duties or functions assigned to it by the Board.

j. Pool Committee. The Pool Committee shall oversee the operation, maintenance, staffing, safety and activities of the pool, and perform any other duties or functions assigned to it by the Board. If the manager of the pool is a Home Owner, he or she shall be eligible to serve on the Pool Committee. If the manager of the pool is a not a Home Owner, then the manager of the pool shall serve as a nonmember consultant to the Pool Committee.

k. Racquet Club Committee. The Racquet Club Committee shall oversee the usage and maintenance of the tennis, platform tennis and shuffleboard courts, and perform any other duties or functions relating to racquet sports assigned to it by the Board.

l. Garden Committee. The Garden Committee shall deal with issues involving the garden parcel area, and perform any other duties or functions assigned to it by the Board.

m. Nominating Committee. The Nominating Committee, consisting of three (3) members elected annually at the January meeting of the Master Homeowners Association, shall secure candidates for the office of Director. Two of the Nominating Committee members shall be current Directors who are not running for an open position on the Board, and one shall be a village president who is not currently a Director.

n. Marketing Advisory Committee. The Marketing Advisory Committee shall consider and recommend for the Master Homeowners Association's action a plan for promoting and marketing the Hershey's Mill community in general in an effort to maximize the property values by assisting the Realtor community in attracting interested and prospective home buyers to the Hershey's Mill community.

Section 11. Funds for Committees. Such funds, if any, as may be necessary for any committee to perform the functions assigned to it must be included as line items in the Master Homeowners Association's annual budget. The Board shall have sole discretion to appropriate funds for a committee, as well as to withhold such funds at any time, and from time to time, as the Board may deem appropriate.

Section 12. No Compensation. No member of any committee, and no chairperson of any committee, shall be compensated for performing his or her duties as a member of the committee. However, upon majority vote of the Board, committee members or chairpersons may be reimbursed the reasonable costs, if any, they have incurred in the performance of their duties.

Section 13. Prohibited Committee Activities. No Committee, no member of a committee and no chairperson of a committee may enter into or sign any agreement or contract on behalf of the Master Homeowners Association. Except for persons assigned to a committee as a liaison officer or nonmember consultant, no Committee, no member of a committee, and no chairperson of a committee may meet with any prospective contractor, supplier or vendor without the prior written authorization of the Board. No Committee, no member of a committee, and no chairperson of a committee may publish any report or any other document prepared by the committee to any one other than the President if the committee was appointed by the President, or the Board for standing committees, without the prior written authorization of the Board. No Committee, member of a committee or chairperson of a committee may publish, discuss or reveal any of the Master Homeowners Association's confidential information or documents, without the prior written authorization of the Board.

ARTICLE XX **MANAGING AGENT**

Section 1. Managing Agent. The Board shall have the power, but not the obligation, to appoint, employ and contract for the services of an "Acceptable Management Company," as defined in the Declaration. The Acceptable Managing Agent for the Master Homeowners Association shall be known and referred to herein as the "Managing Agent." The Board shall have the power, but not the obligation, to delegate to such Managing Agent such limited powers, duties and responsibilities as the Board may deem appropriate and necessary for a Managing Agent to effectively administer and manage the day-to-day affairs of the Master Homeowners Association, subject to the following limitations:

- a. The Managing Agent shall be a professional agent or corporation selected by the Board.
- b. The Managing Agent shall not be, or be deemed to be, a Board member, nor an Officer of the Board
- c. The Managing Agent may not be a Member of the Master Homeowners Association, nor reside on or own any House.
- d. The Managing Agent must be employed or retained under the terms of a written contract.

e. The Managing Agent's contract shall contain an affirmative statement by the Managing Agent acknowledging receipt and review of the Master Homeowners Association's Governing Documents, and an affirmative statement by the Managing Agent that the Managing Agent agrees to act at all times by, and on behalf of, the Master Homeowners Association and in accordance with the Governing Documents.

f. No contract with any Managing Agent shall run for an initial term in excess of three (3) years. However, the contract may contain optional renewal periods not in excess of one (1) year, subject to the condition that the Managing Agent must provide the Board with written notice of the renewal date and any increase in the Managing Agent's fees at least ninety (90) days prior to the renewal date.

g. The Managing Agent must maintain commercial general liability insurance and errors and omissions insurance policies, or commercially available liability insurance providing similar coverage, with limits of at least One Million Dollars (\$1,000,000.00).

h. The Managing Agent must maintain fidelity bond coverage for the Managing Agent and all of the Managing Agent's agents, servants, employees and contractors who will have access to the Master Homeowners Association's accounts or funds, with coverage limits not less than an amount equal to the Master Homeowners Association's reserves, plus twenty-five (25%) percent of the Master Homeowners Association's annual budget.

Section 2. Indemnification of the Master Homeowners Association. The Managing Agent must agree to indemnify and hold the Master Homeowners Association harmless from acts by the Managing Agent which represent gross negligence, a breach of the Governing Documents or applicable law or which represent willful misconduct by the Managing Agent and/or his, her or its agents, servants, employees and contractors.

Section 3. Termination of Managing Agent's Contract. All Managing Agent Contracts shall be terminable by either party upon thirty (30) days written notice for cause, and upon ninety (90) days written notice without cause.

Section 4. Managing Agent's Functions. Under and subject to the contract with its Managing Agent, the Board may assign its day-to-day administrative and supervisory functions to the Managing Agent, but, with the exception of providing administrative support to the Board, the functions assigned to the Managing Agent must not include the Board's powers and duties to:

- a. Call annual, monthly and/or special meetings of the Members; and
- b. Enter into contracts for services, supplies, or materials; and
- c. Adopt, establish, levy and assess assessments; and
- d. Adopt and publish the annual budget; and
- e. Adopt, amend, withdraw, enforce and publish rules; and
- f. Borrow money on behalf of the Master Homeowners Association; and

- g. Purchase, sell, lease or transfer real property and/or grant leases, licenses, or easements over real property; and
- h. Suspend a Member's good standing status and membership rights and privileges; and
- i. Appoint committees; and
- j. Open or close bank accounts, or accounts with other financial institutions, except upon receipt of written Board approval; and
- k. Negotiate or draft any check or instrument by, or on behalf of, the Master Homeowners Association, except in accordance with procedures established by the Board of Directors; and
- l. Conduct hearings and due process procedures; and
- m. Establish any policies or perform any functions requiring the exercise of the Board's discretion and judgment.

ARTICLE XXI
MASTER HOMEOWNERS ASSOCIATION BUDGET AND RESERVES

Section 1. Annual Budget. The Board shall prepare an estimated annual budget for each fiscal year of the Master Homeowners Association. The annual budget shall take into account the estimated Common Expenses, and any other anticipated cash requirements of the Master Homeowners Association for the forthcoming year, as deemed appropriate or necessary by the 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, which may be received from the operation or use of the Common Open Space, including, but not limited to the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and from any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association.

a. By August 1 of each year all standing committees, Presidential committees, Officers and constituent groups that need any funds from the Master Homeowners Association, or anticipate the need for funds from the Master Homeowners Association during the next fiscal year of the Master Homeowners Association must submit their budgetary requests to the Board in writing.

b. The Annual Budget for the Master Homeowners Association for the ensuing fiscal year of the Master Homeowners Association must be approved by the Members no later than the first Thursday in October of any given year.

c. The failure by the Members to adopt, or timely adopt, an annual budget shall not dissolve or terminate the Master Homeowners Association, nor shall it be, or be deemed to be,

a termination of the Board's power to adopt, amend and issue or reissue the Master Homeowners Association's annual budget.

d. The Members power to adopt, amend and issue or reissue the annual budget shall continue until such time as the Master Homeowners Association is terminated.

Section 2. Reserves. In preparing the annual budget for each fiscal year of the Master Homeowners Association, the Board shall include in the budget an appropriate amount, or amounts, for reserves for anticipated major replacements and repairs of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, and any improvements which may now or hereafter be erected thereon. In preparation for budgeting and funding reserves, the Board may from time to time, as the Board may deem necessary and appropriate, but not less than every five (5) years, perform a reserve study, and the costs thereof shall be a Common Expense of the Master Homeowners Association.

Section 3. Budget and Reserve Procedures. In preparing and administering the annual budget, and handling reserves, the Board shall be bound by the following procedures:

a. If any expenditures are charged to the major repairs and replacements reserve account for the current year for which no funds, or inadequate funds, have been appropriated before the expenditure is made, and provided that the expenditure is not otherwise funded by a special assessment, then the budget reserve provisions which otherwise would be established for the succeeding fiscal year shall be increased by such amount 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.

b. The Master Homeowners 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 Board; save that in selecting all accounts in which Master Homeowners Association reserve funds are to be held, the 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.

c. Loans from the reserve funds to the operating fund may be made from time to time, as needed and authorized by vote of a majority of the Board, but such loans must be repaid to the reserve fund in full within eighteen (18) months unless other terms are approved by a majority vote of the Members of the Master Homeowners Association.

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 Homeowners Association, except in the event the Master Homeowners Association is terminated.

Section 4. Signatures on Checks and Instruments. Two (2) members of the Board must sign all checks and instruments drawn against the Master Homeowners Association's Reserve Accounts.

The Managing Agent may be authorized by the Board to act as individual signatory on behalf of the Master Homeowners Association to draw, sign and issue checks against the Master Homeowners Association's general operating account to conduct the routine day-to-day business affairs for the Master Homeowners Association. Except as stated below, the Managing Agent may not sign checks drawn on the Master Homeowners Association's general operating account in an amount in excess of Two Thousand Dollars (\$2,000.00). Checks drawn on the Master Homeowners Association's general operating account in an amount in excess of such amount must be signed by two (2) members of the Board, or by one member of the Board and the Managing Agent.

Section 5. Signatures on Demands for Money and Notes. The President of the Master Homeowners Association, or in the absence of the President, any Vice President of the Master Homeowners Association, must sign all demands for money and notes of the Master Homeowners Association, and the corporate seal of the Master Homeowners Association must be affixed by the Secretary or an Assistant Secretary.

Section 6. Signatures on Demands for Agreements and Contracts. The President of the Master Homeowners Association, or in the absence of the President, any Vice President of the Master Homeowners Association, plus one other Officer of the Master Homeowners Association, must sign all agreements and contracts entered into by the Master Homeowners Association.

Section 7. Signatures on All Other Documents. All other documents dealing with, touching upon or granting any right, title, easement, license, mortgage or security interest in the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, and/or the Master Homeowners Association's accounts receivable or assessments must be signed by the President and one other Officer of the Master Homeowners Association.

ARTICLE XXII **CORPORATE RECORDS**

Section 1. Maintenance of Records. There shall be maintained by the Board at the registered office of the Master Homeowners Association, or such other office as may be directed by the Board, a Membership Register containing the names and addresses of the Members of the Master Homeowners Association, an original or duplicate record of all proceedings of the Members and of the Board, the original or a copy of the Declaration, as well as the original or copies of these Bylaws and the Rules and Regulations, including all amendments or alterations to them.

Section 2. Inspection of Records. Every Member shall, upon written demand under oath stating a proper purpose, have a right to examine, in person, by agent or attorney, during usual business hours, the Master Homeowners Association's Membership Register, books and records of account, and records of the proceedings of the Members and Directors, 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 Homeowners Association. In every instance where an attorney or other agent shall be the person who seeks to exercise the right of inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to act on behalf of the Member. The demand under oath shall be directed to the corporation at its registered office in this

Commonwealth, or at its principal place of business or manager's office, wherever situated. The foregoing right of inspection shall not require the Master Homeowners Association to make available during the course of any inspection any confidential records, including by way of example, but not by way of limitation, the assessment account information or statements for any Lot other than the inquiring Member's Lot, the file for any Lot regarding violations, or alleged violations, of the Governing Documents, except for extracts therefrom prepared by the Master Homeowners Association in a manner intended to preserve any Member's privacy, confidential records, legal opinions prepared for the Board and litigation files.

ARTICLE XXIII
FISCAL YEAR

Section 1. Fiscal Year. The Fiscal Year of the Master Homeowners 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. Board to Levy Assessments. Subject to the approval of the annual budget by the Members, the Board shall have the exclusive power to assess, levy, collect and enforce all assessments, including, but not limited to, annual and special assessments against the Home Owners in order to raise all those funds necessary to pay the Common Expenses of the Master Homeowners Association, to discharge the obligations and duties of the Master Homeowners Association under the Declaration and to permit the Master Homeowners Association to perform its administrative and management functions and obligations in the manner required under these Bylaws and the Declaration, together with all such further assessment powers which may now or hereafter be vested in, or granted to, the Board by any statute, law, regulations or ordinance which is, or may be made, or which may become applicable to the Master Homeowners Association.

Section 2. Common Expenses. All of the costs identified in Declaration Article III, Section 3.1, plus the following, are Common Expenses of the Master Homeowners Association:

a. All expenses of administration, management and operation of the business and affairs of the Master Homeowners Association; and

b. All expenses of administration, management, operation, maintenance, repair and replacement (or non-replacement) of any portions of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and of any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, including such amounts as the Board, in its discretion, deems appropriate to establish reserves for future major replacements and repairs; and

c. All expenses of obtaining and maintaining services and utilities in connection with the operation, maintenance, repair and replacement of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and to any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners

Association, including, but not limited to, the following: electric service; water service; trash, refuse and garbage removal service; vermin extermination; snow removal; security; and other utility type services; and

d. Premiums on policies of insurance required to be maintained pursuant to the Act, the Declaration or these Bylaws; and

e. Fees or compensation due to any Managing Agent, agent, servant, employee or contractor retained by the Board in accordance with the terms, conditions and provisions of the Declaration or these Bylaws; and

f. All amounts deemed appropriate by the Board, including, but not limited to, the following: working capital, general operating reserves, reserves for contingencies, and to reassess any uncollectible delinquencies in the payment of assessments; and

g. Any other expense declared by the Board to be a Common Expense, or which may be determined to be a Common Expense upon application of the Act, the Declaration or by a vote of sixty-seven percent (67%) of the Members of the Master Homeowners Association.

Section 3. Lien for Assessments. All those assessments which may be levied by the Board, together with all fees, fines, charges, late charges, costs, interest and expenses, including costs of collection and attorneys' fees, shall be a lien upon the Lot against which they are levied, and the personal obligation of the Home Owner, from the time they are levied until the time they are paid in full to the Association, in accordance with Section 5315 of the Act and Article III, Section 3.3, of the Declaration.

Section 4. Surplus Funds. Any surplus funds, if any, accumulated from assessments for General Common Expenses, income, if any, from the operation of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or from any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association in excess of the amount required for actual Common Expenses, and reserves for future major Common Element repairs and replacements shall be credited in the manner required by Section 5313 of the Act.

Section 5. Levying of Assessments. All those assessments which may be levied by the Master Homeowners Association hereunder shall be levied by the Board, and shall be due and payable by the Home Owners in accordance with the applicable provisions of the Declaration and any Rules and Regulations which may be adopted by the Board.

Section 6. Annual Assessments. The Board shall assess Home Owners or Village Homeowners Associations as the case may be for the Common Expenses stated in the annual budget as an annual assessment. The annual assessment shall be payable in twelve equal monthly installments. Annual assessments shall be deemed to have been levied on a monthly basis and not on an annual basis. The annual assessment shall be levied by the Board against the Home Owners or Village Homeowners Associations as the case may be in accordance with the formula established in Declaration Article III, Section 3.2.

Section 7. Failure to Fix Any Annual Assessment. If the Board shall fail to fix any new annual assessment for the upcoming fiscal year of the Master Homeowners Association before the expiration of any fiscal year, then each of the Home Owners shall continue to pay monthly installments of the annual assessment in the same sums he or she was paying for the preceding fiscal year until such time as the Board shall levy a new annual assessment. The failure of the Board to levy any new annual assessment shall not be, nor shall it be deemed to be, a waiver of the Board's power and duty to thereafter levy a new annual assessment at such time as the Board may deem appropriate.

Section 8. Special Assessments. In addition to the annual assessments, the Board, subject to the approval of the Members, may levy, at any time during the fiscal year, a special assessment or assessments. Special assessments may be levied by the Board for such purposes as the Board may deem necessary, including, but not limited to, the following:

- a. Covering any budgetary shortfalls in income or assessments; and
- b. To pay for the balance of the costs, expenses and/or fees arising from any line item expenditure not adequately funded in the annual budget; and
- c. Any unbudgeted Common Expense; and
- d. Any repair, maintenance costs, damages, expenses, or fees, including attorneys' fees, arising from any work made necessary as the result of any act of God, casualty, theft, vandalism, intentional act, and/or weather related conditions which occur on or impair the use and enjoyment of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or the use and enjoyment of any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association; and
- e. Any other necessary Common Expense approved by the Board and incurred by the Master Homeowners Association in the performance of its administrative, management and maintenance duties and obligations under the provisions of the Declaration and not otherwise incorporated into the Master Homeowners Association's annual budget.

Section 9. Payment of Special Assessments. Special assessments, if any, shall be made payable by the Home Owners in such manner or frequency as the Board may deem appropriate, including, but not limited to, monthly installments. Special assessments shall be levied against the Home Owners on a pro-rata basis.

Section 10. Crediting of Payments. Except as may be directed by the Board from time to time, including, but not limited to, through the adoption of Rules and Regulations, all payments of assessments made by Home Owners, including payments made subsequent to payment due dates established by the Board, shall be credited in the following order: (i) late fees; then (ii) interest; then (iii) lien assessments; then (iv) costs of collection, including court costs and attorneys' fees; then (v) unpaid assessments.

Section 11. Home Owners' Obligation to Pay Assessments, Expenses, Fees, Fines, Costs and Charges. Each Home Owner is obligated to make prompt and full payment of all assessments, expenses, fees, fines, costs and charges which may be levied under the Declaration, these Bylaws or

prevailing law against the Home Owner by the Board, together with all penalties, interest, costs of collection and attorneys fees incurred by the Master Homeowners Association in collecting delinquent assessments, fees, fines or charges, or in enforcing any of the provisions of the Declaration, these Bylaws or prevailing law against the Home Owner. No Home Owner may waive or otherwise escape liability for assessments, fines, fees or other charges levied, or any other obligations borne by the Home Owner under the Declaration, these Bylaws or prevailing law by waiver, non-use of the Commercial Areas, Common Open Space, Common Open Space Property, Country Club, Declared Common Open Space, Declared Hershey's Mill Land, Hershey's Mill Land, Parkland and/or the Recreational Facilities, nor by abandonment of the use of any part or all of the Commercial Areas, Common Open Space, Common Open Space Property, Country Club, Declared Common Open Space, Declared Hershey's Mill Land, Hershey's Mill Land, Parkland and/or the Recreational Facilities, nor by any other reason or action by, or on behalf of, the Home Owner.

Section 12. Payment of Annual Assessment. Each Home Owner, or Village Homeowners Association, as the case may be, shall pay the annual assessments levied against it on a monthly basis, on the first day of each month. Special assessments levied by the Board shall be payable in monthly installments or such other method or frequency of payment as the Board may deem appropriate.

Section 13. Common Expenses Caused by Negligence. If any Common Expense incurred by the Master Homeowners Association for any maintenance, repair, replacement or restoration of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or for any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, arises from, or is caused by the negligence, misconduct or intentional act of any Home Owner or his or her guests, agents, servants, contractors, or employees, or arises from the failure of any Member to maintain its Village Land in the manner required by the Declaration, then the Board may levy any Common Expense incurred by the Master Homeowners Association to provide the maintenance, repair, replacement or restoration as an assessment exclusively against the Member. Any assessment levied by the Board under this Section 13 shall be payable in full upon receipt of the notice of the assessment.

Section 14. Effect of Nonpayment of Assessments and Remedies of the Master Homeowners Association. Any assessment levied against a Home Owner, together with any other fee, fine, charge, cost or expense of collection including reasonable attorneys' fees, assessed or levied by the Board against a Lot which shall not have been paid by the due date established by the Board or these Bylaws, as applicable, shall be deemed delinquent. Upon a delinquency, the Master Homeowners Association shall have the power to collect the delinquent assessment, fee, fine, charge, cost or expense, including costs of collection, together with all attorneys' fees from the delinquent Home Owner, and the Master Homeowners Association may utilize any remedies provided in the Act, and/or the Declaration, and/or any applicable law, and/or these Bylaws concurrently or consecutively, as the Board may deem appropriate, to collect the delinquent assessments, fees, fines, charges, costs, expenses, costs of collection, and attorneys' fees.

Section 15. Costs of Collection and Enforcement. Delinquent assessments, fees, fines, costs and expenses for maintenance, repairs, or replacements, if any, incurred by the Master Homeowners Association, which are recoverable from a Home Owner, and all costs and fees, including reasonable attorneys' fees, incurred by the Master Homeowners Association in the collection thereof,

and/or in securing or enforcing the Home Owners' compliance with any of the terms, conditions and provisions of the Declaration, these Bylaws or any applicable Rules and Regulations shall be enforceable, collectible and recoverable in the same manner as an unpaid assessment as permitted under Subsection 5315 of the Act.

Section 16. Interest. Delinquent assessments, expenses, fees, and/or costs of maintenance, repair or replacement recoverable under the Governing Documents in the same manner as an assessment, together with costs of collection and attorneys' fees enforceable under Section 5315 of the Act as an assessment shall bear interest at the rate of fifteen (15%) percent per annum, or such other maximum interest rate as may be permitted under prevailing law, on the outstanding balance due until full payment is received by the Master Homeowners Association. Except as may be limited or prohibited by the Federal Bankruptcy Code, the terms and conditions of this Section 16 establishing the interest rate due upon delinquent assessments, expenses, fees, and/or costs of maintenance, repair or replacement recoverable from a Home Owner shall remain in full force and effect, and shall survive the entry of judgment for the Master Homeowners Association, such that the rate shall continue on the amount of the judgment at the rate of fifteen (15%) percent per annum, or such other maximum interest rate as may be established by the Act, until full payment of the amount of the judgment is received by the Master Homeowners Association. A Home Owner's payment of delinquent assessments, expenses, fees, and/or costs of maintenance, repair or replacement recoverable under the Governing Documents, or a judgment for such sums may not be deemed to have been received until credited to the Master Homeowners Association's account.

Section 17. Thirty-Day Notice. Upon any Home Owner's account becoming thirty (30) days delinquent, the Master Homeowners Association shall provide written notice of such delinquency to the Home Owner by first-class mail, postage prepaid, addressed to the Home Owner at the Home Owner's Lot, or at the last address for the Home Owner shown in the Master Homeowners Association's records. The notice shall state the amount due, the interest rate charged, a payment due date, the Master Homeowners Association's right to collect liened assessments due for the balance of the year, inform the Home Owner that he or she may request a hearing before the Board on the delinquency, and advise the Home Owner that the Master Homeowners Association may pursue all available legal remedies available under the Declaration, these Bylaws and/or the Act if prompt and full payment is not received.

Section 18. Power to Collect Through Suit. If prompt and full payment is not made by the Home Owner in accordance with the notice provided under Section 17 above, then the Master Homeowners Association may bring an action at law to collect any delinquent assessments, liened assessments, fees, fines, charges, expenses and/or costs of collection, including reasonable attorneys' fees. The Association shall also have the power to foreclose its lien for delinquent assessments against a Lot in the same manner as for foreclosure of a mortgage.

Section 19. Binding Arbitration. At any time prior to the recovery of a judgment by the Master Homeowners Association for delinquent assessments, liened assessments, fees, fines, charges, expenses and/or costs of collection, including reasonable attorneys' fees, the Home Owner and the Master Homeowners Association may agree to submit the matter to binding arbitration.

Section 20. Delinquent Assessment Collection Procedures. Upon the Home Owner's failure to request a hearing before the Board, and/or to make prompt and full payment in response to the thirty-day delinquency notice letter, or upon the failure of the Home Owner to make prompt and full

payment after a hearing before the Board, as may be applicable, the Master Homeowners Association may proceed with one or more of the following collection methods, at the same time or consecutively, as the Board may elect:

a. Upon written notice to the Home Owner, addressed to the Home Owner at the last address for the Home Owner shown in the Master Homeowners Association records, which notice may be incorporated in the notice to be transmitted under Section 17 above, the entire balance of any assessment payable in installments may be declared to be immediately due and payable in full; and/or

b. Charge a monthly late fee in an amount to be set by the Board to cover the costs to the Master Homeowners Association of maintaining the open account, including bookkeeping costs, postage, copying, etc.; and/or

c. Upon written notice to the Home Owner, addressed to the Home Owner at the last address for the Home Owner shown in the Master Homeowners Association records, which notice may be incorporated in the notice to be transmitted under Section 17 above, suspend the good standing of such Home Owner until the delinquent assessments, fees, fines, charges, interest and/or costs of collection, including reasonable attorneys' fees, are paid in full; and/or

The foregoing is not, nor shall it be deemed to be an exclusive list of collection procedures which may be followed by the Master Homeowners Association. To the contrary, the Master Homeowners Association may pursue any remedies now or hereafter made available to it under the Act, the Declaration or then prevailing law.

Section 21. Remedies Cumulative. All of the foregoing remedies in favor of the Master Homeowners Association shall be deemed to be cumulative, and nothing set forth hereinabove shall prevent the Master Homeowners Association from proceeding with one or more of its remedies consecutively or concurrently, as the Board may direct.

ARTICLE XXV **DUE PROCESS PROCEDURES**

Section 1. Due Process Procedures. The Master Homeowners Association has determined that the establishment of a due process procedure for the determination and remediation of violations of the Declaration, Bylaws and/or Rules and Regulations, and to prevent breaches and violations of the Declaration, Bylaws and/or Rules and Regulations will help to deter violations and secure voluntary compliance, preserve the health, safety, welfare and security of the Members, the Home Owners, minimize Common Expenses, facilitate the preservation of the appearance, use and value of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, and foster good morale and community spirit. Therefore, the due process procedures set forth herein shall apply to all breaches of the Declaration, Bylaws and/or Rules and Regulations by a Member and/or Home Owner.

Section 2. Review of Complaint. The Board shall investigate and review complaints of violations of the Declaration, Bylaws and/or Rules and Regulations. The Board may utilize the services

of the Managing Agent or a committee to assist it in obtaining information about the alleged violation. The Board shall determine whether a violation has occurred. If the Board determines that a violation has occurred, then the Secretary shall give notice to the Member and/or Home Owner who committed, condoned or permitted the violation.

Section 3. Due Process Procedures. Every Member and/or Home Owner accused of a violation of the Governing Documents must be given an opportunity to appeal a notice of violation and to appear before the Board to be heard and present testimony about the violation before any sanction is imposed upon the Member and/or Home Owner by the Board.

Section 4. Due Process Rules and Regulations. The Board may adopt, revise, amend and issue due process rules and procedures.

Section 5. Member and/or Home Owner's Obligations. If the Board determines that a violation of the Declaration, Bylaws and/or Rules and Regulations has occurred, then the Member and/or Home Owner, as applicable, shall be obligated to pay any fines levied, reimburse any costs, fees, or expenses incurred by the Master Homeowners Association, and carry out the abatement, cure, or remediation work ordered by the Board.

Section 6. Complaining Party. Any Home Owner, Member, Board member, Officer, Committee member or the Managing Agent may submit a written complaint about an alleged violation to the Board.

Section 7. Board Review. The Board will review all written complaints submitted at the next meeting of the Board, except that in the event of a complaint with respect to any violation which represents an immediate threat to the health, safety, welfare or security of the Home Owners, or to the appearance, function or value of the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, the Board may meet to review the Complaint at the Board's earliest convenience.

a. The Board may request that the Complaint be reviewed by legal counsel, but the Board shall make the final determination as to whether the acts complained of represent a violation of the Governing Documents.

b. Incident to investigating a violation, the Board may contact the Member and/or Home Owner directly and secure information or a preliminary response from the Member and/or Home Owner to the Complaint.

c. The Board may also attempt to resolve the violation informally.

d. Any final, formal determination that a violation has been committed must be made by a majority vote of the Board.

Section 8. Fines and Sanctions. In the event that the Board makes a final determination that a Member and/or Home Owner has violated the Declaration, Bylaws and/or Rules and Regulations, then the Board may levy a fine against the Member and/or Home Owner in an amount consistent with

the nature and severity of the violation, but not in excess of \$50.00 for a single violation, and not in excess of \$100.00 per day for a continuing violation.

a. Each day upon which a violation or breach continues may be deemed a fresh violation or breach, subject to the imposition of additional or continuing fines, as the Board may levy or assess.

b. In addition to fines, the Board may impose such other sanctions as the Board deems necessary and appropriate, including the issuance of a cease and desist letter, and if necessary, a demand specifying action to be taken, or work to be done, on or about the Member's and/or Home Owner's Village Land, Lot and/or House, as may be applicable, to abate, cure or remedy the violation.

Section 9. Notice of Violation. Upon completion of its investigation and a determination by the Board that a violation has been committed, the Secretary shall issue a notice of violation letter to the Member and/or Home Owner. The notice of violation letter must identify the provisions of the Declaration, Bylaws and/or Rules and Regulations which have been violated and contain a statement of the essential facts giving rise to the violation. If the violation is of a continuing nature, the notice of violation letter may contain a directive to the Member and/or Home Owner to cease and desist from committing the violation. The notice of violation letter must describe the appeal procedures available to the Member and/or Home Owner. The notice of violation may also contain notice of the levying of a fine, and state specific action to be taken, or work to be done, by the Member and/or Home Owner in order to abate, cure or remedy the violation.

Section 10. Additional Remedies. In addition to the powers to resolve a matter informally, levy a fine and issue a cease and desist letter and/or notice of violation, the Board shall have the power, but not the obligation, upon notice to the Member and/or Home Owner, to suspend a Member's and/or Home Owner's good standing status. The Board shall also have the power to pursue all remedies available to it under the Declaration, Bylaws and/or Rules and Regulations and applicable law consecutively or concurrently, as the Board may elect.

Section 11. Fees and Costs of Enforcement. All costs, charges, expenses and fees, including reasonable attorneys' fees, incurred by the Master Homeowners Association incident to determining the existence of a violation, collection of fines, and/or enforcing compliance with the Declaration, Bylaws and/or Rules and Regulations, including, but not limited to, those incurred, if any, to obtain professional advice and guidance regarding the cause, nature and extent of damages to the Common Open Space, including, but not limited to, the Parkland, Recreational Facilities, Roads and Storm Water Management Facilities, and/or to any part or portion of the Declared Hershey's Mill Land which may now or hereafter be made subject to the administration, management or operation of the Master Homeowners Association, and the work or action needed to remedy the violation and/or damages, as well as the costs of labor, materials, and any necessary oversight or guidance incident to work or action being taken by the Master Homeowners Association to temporarily abate, cure or remedy a violation, as well as any charges, fees, or fines levied by the Master Homeowners Association, shall be reimbursed to the Master Homeowners Association by the Member and/or Home Owner.

Section 12. Appeal Procedure. Any Member and/or Home Owner to whom the Board has issued a notice of violation shall have the right to file an appeal to the Board by filing a written notice of appeal with the Board. The notice of appeal must be filed with the Secretary within thirty (30) days after the date of the notice of violation which was issued to the Member and/or Home Owner.

Upon receipt of a notice of appeal, the Secretary must schedule an appeal hearing before the Board. The Secretary may schedule an appeal hearing to be held during the course of a regular Board meeting or any special meeting of the Board called to hear the appeal. However, no appeal hearing may be held during the Board's annual meeting. The Board shall establish appeal hearing procedures by the adoption of Rules and Regulations.

Section 13 Decisions Upon Appeals. The Board must issue its decision on appeals to the Member and/or Home Owner in writing. The Board's decision shall be by majority vote and shall be final and binding upon the Member and/or Home Owner.

Section 14. Binding Arbitration Between Member and/or Home Owners and the Master Homeowners Association. In the event of a dispute between the Master Homeowners Association and any Member and/or Home Owner, and subject to the prior written consent of the Board at any time prior to recovery of a judgment, the dispute may be submitted to binding arbitration upon such terms and conditions as the Board may agree to.

ARTICLE XXVI

INDEMNIFICATION OF OFFICERS AND BOARD MEMBERS

Section 1. General Rule for Indemnification. The Members, Directors, Officers and persons serving at the request or direction of the Master Homeowners Association, both past and present (i) shall not be liable to the Home Owners or the Master Homeowners Association as a result of their activities as such for any mistake of judgment, negligence or otherwise except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Home Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Master Homeowners Association in their capacity as such; (iii) shall have no personal liability in tort to a Home Owner or any other person or entity direct or imputed by virtue of acts performed (or omitted to be performed) by or for them, in their capacity as such, except for their own willful misconduct or bad faith; and (iv) shall have no personal liability arising out of the use, misuse or condition of the grounds and facilities of the Declared Common Open Space or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such. The Members of the Master Homeowners Association and the Master Homeowners Association to the fullest extent authorized or permitted by the laws of the Commonwealth of Pennsylvania shall indemnify and hold harmless any person, his or her heirs and personal representative, from and against any and all personal liability, and all expenses, including attorney's fees, incurred or imposed, or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by the Master Homeowners Association, any one or more Home Owners or any other person or entity, to which he or she shall be or shall be threatened to be made a party or otherwise involved by reason of the fact that he or she is or was a Member, Director, Officer or person serving at the request or direction of the Master Homeowners Association other than to the extent, if any, that such liability or expense shall be attributable to his or her willful misconduct or bad faith. Such mandatory right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of the Members of the Master Homeowners Association or of the Board or otherwise. The indemnification by the Members of the Master Homeowners Association and the Master Homeowners Association set forth in this Article XXVI shall be paid by the Board on behalf of the Master Homeowners Association and shall constitute a Common Expense assessable against the Home Owners in accordance with the Declaration. Complaints brought against the Members, Directors, Officers or persons serving at the request or direction of the Master

Homeowners Association, either past or present, in their respective capacities as such, or regarding the grounds and facilities of the Declared Common Open Space, shall be directed to the Board, which shall promptly give written notice thereof to the Members of the Master Homeowners Association and shall be defended by the Master Homeowners Association. The Home Owners and Members of the Master Homeowners Association shall have no right to participate other than through the Master Homeowners Association in such defense.

Section 2. Mandatory Defense. The aforementioned right of mandatory indemnification shall include the right of any Member, Director, Officer or person serving at the request or direction of the Master Homeowners Association, both past and present, to request from and be paid by the Master Homeowners Association the reasonable expenses (including reasonable attorneys' fees) incurred by such person in defending himself or herself against any action brought against or involving such person in advance of such action's final disposition, provided, however, that any such payment of reasonable expenses (including reasonable attorneys' fees) prior to the final disposition of an action shall be made only after delivery to the Master Homeowners Association of a written undertaking by the person requesting advancement of expenses to repay all amounts so advanced if it shall be ultimately determined that such Member, Director, Officer or person serving at the request or direction of the Master Homeowners Association is not entitled to be indemnified under this Article XXVI or the laws of the Commonwealth of Pennsylvania. If a claim under this provision is not paid in full by the Master Homeowners Association within thirty (30) days after a written demand therefor has been received by or delivered to the Master Homeowners Association together with the aforescribed written undertaking, the Claimant may, at any time thereafter, bring suit against the Master Homeowners Association to be paid the claimed amount of such expenses, and if successful, shall be reimbursed by the Master Homeowners Association for all costs and expenses (including reasonable attorneys' fees) associated with initiating, prosecuting and concluding such claim.

Section 3. Defense to Claim for Indemnification. It shall be a defense to any action for indemnification (but not an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Master Homeowners Association) that the Claimant has not met the standards of conduct which make it permissible under the laws of the Commonwealth of Pennsylvania for the Master Homeowners Association to indemnify the Claimant for the amount claimed, but the burden of proving such defense shall be on the Master Homeowners Association and not on the Claimant.

Section 4. Limitation on Indemnification. The indemnification provided for in this Article XXVI shall not be available to any officers, agents or employees of the Declarant.

ARTICLE XXVII

NOTICE

Section 1. Notice. Except as specifically set forth in these Bylaws, any notice required to be given or transmitted by, and between, the Master Homeowners Association, the Board, the Members and/or the Home Owners unless otherwise provided herein, must be made in writing.

a. Notice to a Member shall be deemed given when mailed by U.S.P.S. first-class mail, all postage prepaid, to the Member at the last address for the Member contained in the Master Homeowners Association's records, or transmitted to a Member at the e-mail address provided to the Master Homeowners Association by the Member, or transmitted by facsimile mail to a Member at

the facsimile number provided to the Master Homeowners Association by the Member, or hand delivered to the Member's Village Council president or any other member of the Member's Village Council. Each Member's address shall be deemed to be the address of the president of the Member's Village Council until such time as the Member provides the Master Homeowners Association's Secretary with written notice of a new or alternate address for the Member.

b. Notice to a Home Owner shall be deemed given when mailed by U.S.P.S. first-class mail, all postage prepaid, to the Home Owner at the last address for the Home Owner contained in the Master Homeowners Association's records or the records of the Home Owner's Village Homeowners Association, or transmitted to a Home Owner at the e-mail address provided to the Master Homeowners Association or Village Homeowners Association by the Home Owner, or transmitted by facsimile mail to a Home Owner at the facsimile number provided to the Master Homeowners Association or Village Homeowners Association by the Home Owner. Each Home Owner's address shall be deemed to be the address of the Home Owner at Hershey's Mill until such time as the Home Owner provides the Master Homeowners Association's Secretary with written notice of a new or alternate address for the Home Owner.

c. Notice to the Master Homeowners Association shall be deemed given when mailed by U.S.P.S. first-class mail, all postage prepaid, to the Master Homeowners Association at the Master Homeowners Association's mailing address, or e-mailed to the Master Homeowners Association's Secretary or Managing Agent at any e-mail address which may be provided by the Master Homeowners Association to the Member, or transmitted by facsimile mail to the Master Homeowners Association at a facsimile number provided to the Member by the Master Homeowners Association, or hand delivered to the Master Homeowners Association's Secretary or in the absence of the Secretary, the Master Homeowners Association's Managing Agent. Copies of all notices sent to the Master Homeowners Association, together with copies of all documents enclosed with the notice, must also be transmitted to the President of the Master Homeowners Association at the same time the notice is transmitted to the Master Homeowners Association.

d. Notice by U.S.P.S. first-class mail, with all postage prepaid, shall be deemed to have been received two (2) days after the date upon which it is placed in the mail. Notice given by facsimile transmission or e-mail shall be deemed to have been received immediately upon transmission. Notice by hand delivery will be deemed to be received immediately upon completion of the hand delivery.

e. Whenever any written notice is required to be given under the provisions of the Declaration, these Bylaws, the Act, the NPC or any statute now or hereafter made applicable to the Master Homeowners Association, a waiver thereof, signed by a Member's Village Council president shall be deemed to be equivalent to the Member's receipt of such notice. Except as may be required by any applicable statute, if any, neither the business to be transacted at a meeting, nor the purpose of a meeting, need be specified in the waiver of notice of the meeting.

f. Either personally, or by mailing a copy of the notice by U.S.P.S. 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 Homeowners Association's books and records, which address shall be deemed to be the address of the Member's president until such time as the Member provides the Master Homeowners Association's Secretary with written notice of a new or alternate address for the Member

ARTICLE XXIII
CONTRACTUAL POWERS

Section 1. Validity of Contracts. No contracts, agreements or other transactions may be made or entered into between the Master Homeowners Association and any one (1) or more of its Board members or Officers, nor between the Master Homeowners Association and any corporation, firm or Master Homeowners Association in which any one (1) or more of the Board members or Officers are directors or officers, or are directly or indirectly employed or financially interested, except upon full disclosure by the interested Board member(s) or Officer(s) of his, her or their interest in, or employment with, the corporation, firm or Master Homeowners Association. No interested Board member or Officer shall vote upon, or be present for any motion considered, or vote cast upon, any contract with any entity in which the Board member or Officer has an interest.

ARTICLE XXIX
AMENDMENTS, CONFLICTS AND SEVERABILITY

Section 1. Amendments. These Bylaws may be amended, supplemented or repealed by vote of sixty-seven (67%) percent of the Members at any meeting of the Members, or by an instrument in writing signed by sixty-seven (67%) percent of the Members who consent to the adoption of the amendment, supplement or repealer. Except as may be limited by applicable law, upon twenty (20) days notice to the Members, together with a copy of the text of the proposed amendment, these Bylaws may also be amended or supplemented by vote of a majority of the members of the Board. Any amendment or supplement of these Bylaws adopted by the Board may be amended, supplemented or repealed by vote of sixty-seven percent (67%) of the Members at any meeting of the Members. The Board may not act on its own to repeal these Bylaws.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the NPC and these Bylaws, the NPC shall control. In the case of any conflict between the provisions of the UPCA now or hereafter made applicable to the Master Homeowners Association and these Bylaws, the provisions of the UPCA shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Severability. The provisions of these Bylaws 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. Without regard for any Member's, or Board member's, or Officer's, or committee member's state of residence, domicile or incorporation, as applicable, each Member, Board member, Officer and committee member shall be deemed to have irrevocably agreed to be bound by, and to perform its, his or her duties in accordance with the Declaration and these Bylaws, and further agrees that the Declaration and these 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 Homeowners Association, its Board, its Officers, committees, or its Managing Agent to strictly enforce, or demand strict performance, in accordance with the terms, conditions and provisions of the Declaration and these Bylaws 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 Homeowners Association, all Board members, all committee members, all Officers, all Members and all Home Owners shall be deemed to have irrevocably consented and agreed 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 the Declaration and/or these Bylaws, save that any suit for delinquent assessments, costs, fees, interest, fines, or any other sum of money, including attorneys' fees, which may become due to the Master Homeowners Association from any Member and/or Home Owner under the Governing Documents, may be filed in the local Magisterial District Court, or equivalent court, having jurisdiction over the Member and/or Home Owner, if the amount at issue is within the Magisterial District Court's jurisdictional limits.

Section 4. Enforcement and Notice to the Master Homeowners Association. The Master Homeowners Association, the Board, any Member and/or Home Owner may initiate a cause of action to enforce the Bylaws. The Master Homeowners Association may join in any enforcement action brought by a Member and/or Home Owner. No Member and/or Home Owner may bring any action by, for, on behalf of, or against the Master Homeowners Association, except upon first providing the Master Homeowners Association with not less than thirty (30) days notice, by U.S.P.S. certified mail, first-class postage prepaid, of the nature and substance of the claims and causes of action the Member and/or Home Owner intends to file, the names and addresses of the defendants, the relief or damages the Member and/or Home Owner intends to demand, and the court in which the Member or Home Owner intends to file the action. Notice shall be deemed to have been given to the Master Homeowners Association if the Member and/or Home Owner appends to the notice a copy of the complaint the Member and/or Home Owner intends to file.

a. The Master Homeowners Association, acting by and through the Board, shall have the right, power and discretion to initiate due process procedures, and/or to take any other action available to it, and/or to pursue any remedies available to the Master Homeowners Association under the Declaration, these Bylaws, the Act, the NPC or any prevailing law to address and resolve the matters complained of by the Member and/or Home Owner during the notice period.

b. The Member who gave the notice to the Master Homeowners Association may not start any action or file any complaint or summons against the Master Homeowners Association until thirty (30) days after the date the notice is received by the Master Homeowners Association.

c. If a Member fails to give the required notice to the Master Homeowners Association, then the Member who filed the action shall be deemed to have agreed and stipulated that the complaint or summons filed by the Member may be stricken and withdrawn, and the action terminated, upon the filing of a copy of these Bylaws, an affidavit signed by an authorized representative of the Master Homeowners Association stating that the Member did not give the Master Homeowners Association the notice required by this Section 4, and an appropriate preliminary objection, petition or motion.

d. Any Member who files an action against the Master Homeowners Association without first giving the Master Homeowners Association the written notice required by this Section 4 shall also be required to reimburse the Master Homeowners Association for all charges, costs, fees and expenses incurred by the Master Homeowners Association in such matter, including court costs and attorneys' fees.

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

f. Should a Member bring an action based in whole or in part against the Master Homeowners Association, its Board, 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 cause of action, then any order or judgment of the court disposing of the cause of action shall also impose an award in favor of the Master Homeowners Association, and against the Member, of all costs and fees, including reasonable attorneys' fees, incurred by the Master Homeowners Association in defending the cause of action.

g. All costs, expenses and attorneys' fees incurred by the Master Homeowners 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, memorandum or brief with the court to conduct discovery, negotiate and document an amicable resolution or settlement, try a case and/or collect a judgment against a Member, shall be reimbursed to the Master Homeowners Association by the Member.

h. All tort and/or breach of contract actions filed by Members in any court, and/or with any federal, state or municipal agency, bureau or department, must be filed and brought against the Master Homeowners Association, and not against the Board, Board members, Officers, nor any committee or committee members.

Section 5. Pronouns. Singulars and Plurals. All pronouns and any variations of pronouns shall be deemed to refer to the feminine, masculine, neuter, singular and plural as may be necessary to make the Article or Section of these Bylaws at issue applicable to the circumstances or matter in question. The failure of any pronoun to agree with the sex or number of persons at issue shall not, by itself, serve to defeat or in any way impair the applicability of any Article or Section of these Bylaws. The phrase "and/or" shall be deemed to be a function word to indicate that the two words or expressions are intended to be taken together, or individually, as may be appropriate to the circumstances or choices which may prevail at the time the relevant provisions of these Bylaws become applicable.

Section 6. Headings. The headings used throughout these Amended Bylaws are for reference purposes only. They are not intended to, and shall not be deemed to be, substantive, nor to grant or create any obligation, right, privilege, license or duty.

IN WITNESS WHEREOF, we, being the President and Secretary of the Hershey's Mill Homeowners Association, have hereunto set our hands this 21st day of March 2013.

By: Harry Staller s/s Boyd Mackleer s/s

President and Member of the Board of Directors Secretary and Member of the Board of Directors