

BY-LAWS OF HEMPFIELD GREEN
RESIDENTS ASSOCIATION, INC.

ARTICLE I - NAME

1.01 The name of the Association is Hempfield Green Residents Association, Inc., an incorporated Association organized under the laws of the Commonwealth of Pennsylvania.

1.02 The registered office of the Association shall be located at Lancaster, Pennsylvania, or at such other place within the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.

ARTICLE II - DEFINITIONS

2.01 "Association" or "Homeowners Association" shall mean and refer to Hempfield Green Residents Association, Inc., its successors and assigns.

2.02 "Properties" shall mean and refer to those certain real properties with townhouses erected thereon with addresses as set forth in Schedule A attached hereto and made a part hereof by reference.

2.03 "Lot" shall mean and refer to any subdivided lot on which is located a townhouse (see Schedule A attached hereto for all currently existing lots).

2.04 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including installment sales sellers, but excluding those having such interest merely as the security for the performance of an obligation.

2.05 "Development" shall mean the lots of Hempfield Green with addresses as set forth in Schedule A.

2.06 "Member" shall mean and refer to those persons entitled to membership as provided hereinabove.

ARTICLE III - MEMBERS AND VOTING RIGHTS

3.01 Membership. Every owner of a townhouse lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership.

3.02 Voting Rights. Members shall be all owners and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lots shall be exercised as such persons among themselves may determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE IV - MEETINGS OF MEMBERS

4.01 Annual Meetings. The first annual meeting of the members shall be held within one year from the date of formation of the Association. Subsequent regular annual meetings of the members shall be held on the first Monday of February, if not a legal holiday,

and if a legal holiday, then on the next secular day following at 7:30 P.M., or at such other time as the Board of Directors shall direct, but in no event less than annually.

4.02 Special Meetings. Special meetings of the members may be called at any time by the President of the Board of Directors, or upon the written request of one-fourth (1/4) of all members entitled to vote.

4.03 Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than thirty (30) days in advance of the meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

4.04 Quorum. The presence at the meeting of members entitled to cast or proxies entitled to cast thirty percent (30%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

4.05 Proxies. At all meetings of members, each member may vote in person or by proxy. Proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease on conveyance by the member of his lot.

ARTICLE V - BOARD OF DIRECTORS

5.01 Number of Directors. The affairs of this Association shall be managed by a Board of Directors, composed of a minimum of three (3) directors and a maximum of five (5) directors. All of the members of the Board of Directors shall be members of this Association.

5.02 Term of Office. At the annual meetings, the election of members of the Board of Directors (whose terms are expiring) shall be held. The term of office shall be for two (2) years and until a successor is chosen.

5.03 Removal. Any director may be removed from the Board with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

5.04 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

5.05 Unanimous Consent of Directors. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI - NOMINATION AND ELECTION OF DIRECTORS

6.01 Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at its first meeting after the annual meeting of the members, to serve from the time of their appointment until the close of the next annual meeting and such appointments shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members, subject to the limitations of Section 5.01 of Article V.

6.02 Election. Upon the request of one member of the Association, election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may vote, in respect to each vacancy, as many votes as they are entitled to exercise. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

ARTICLE VII - MEETING OF DIRECTORS

7.01 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board.

7.02 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any one director, after not less than three (3) days notice to each director. Notice need not be given in writing.

7.03 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII - POWER AND DUTIES OF THE BOARD OF DIRECTORS

8.01 Powers. The Board of Directors shall have the power to:

(a) Suspend the voting rights of a member during any period in which such member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for any infraction of published rules and regulations;

(b) Exercise for the Association all powers and duties and authority vested in or delegated to this Association including all powers and duties set forth in the Dwelling Units Declaration of Easements and Restrictions, as amended from time to time, and not reserved to the membership by other provisions of these By-Laws;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without cause shown;

(d) Employ independent contractors, or employees as they deem necessary and to prescribe their duties.

8.02 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all acts and Association affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(b) Supervise all officers and agents of this Association and to see that their duties are properly performed;

(c) To manage the Association, including but not limited to the following duties:

(i) Fix the amount of the annual assessment against each lot during the first quarter of each year;

(ii) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of the due date of each assessment; and

(iii) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not the assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of payment;

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(f) Enter into contracts on behalf of the Association for all purposes set forth herein.

ARTICLE IX - OFFICERS

9.01 Identification of Officers. The officers of this Association shall be the president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

9.02 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

9.03 Term. The officers of this Association shall hold office for two (2) years unless he/she shall sooner resign, or shall be removed or otherwise disqualified to serve.

9.04 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

9.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such a vacancy shall serve for the remainder of the term of the officer he replaces.

9.07 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Paragraph 9.04 of this Article.

9.08 Duties. Duties of the officers shall be as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, and any other written instruments;

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors;

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and the members; keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as required by the Board of Directors;

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year by such person as the Board of Directors may deem appropriate; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members within thirty (30) days of completion.

ARTICLE X - COMMITTEES

10.01 The Association may appoint a nominating committee as provided in these By-Laws. In addition thereto, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI - BOOKS AND RECORDS

11.01 Books and records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. Articles of Incorporation, the By-Laws and any amendments thereto shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII - MAINTENANCE ASSESSMENTS

12.01 Lien of Assessments. The owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) Annual assessments or charges; and
- (b) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to these successors in title unless expressly assumed by them.

12.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the following, subject to the restrictions in Section 12.11:

- a. The maintenance of the lawns, grounds and the maintenance of the shrubbery in the front of each home;
- b. The replacement of roofs;
- c. Painting of all wood exterior building surfaces, including exterior doors, garage doors and shutters;
- d. Snow removal of all driveways and public and private sidewalks;
- e. Weekly trash removal service; and
- f. The cost of administrative services.

12.03 Annual Assessments. For the calendar year 2015, the annual assessment shall be \$1,548.00 per dwelling unit. The Board of Directors may, at its discretion, require payment of the annual assessment annually, biannually, quarterly, monthly or any reasonable time frame as it sees fit. In subsequent years the annual assessment, subject to the limitations hereafter imposed, shall be fixed by the Board of Directors. Any proposed increase in the annual assessment that exceeds the previous year's assessment by 10% shall require the affirmative ratification by 2/3 of the members who are voting in person or by proxy at a meeting duly called for this purpose.

12.04 Special Assessments for Maintenance. In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year other than for the purpose of painting and/or roof replacement. Ninety day notice will be provided to homeowners prior to any special assessment.

12.05 Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, all exterior painting

and the replacement of roofs as more particularly itemized in Section 12.02 above. Ninety day notice will be provided to homeowners prior to any special assessment.

12.06 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on an annual, bi-annual, quarterly or monthly basis, or any other reasonable basis as shall be determined by the Board of Directors.

12.07 Membership Approval of Special Assessments. If the amount of a special assessment exceeds \$1,500.00 per dwelling unit, then the amount of the special assessment shall be subject to the affirmative ratification by 2/3 of the members who are voting in person or by proxy at a meeting called for this purpose.

12.08 Due Date. The annual assessment provided for herein shall commence as to each lot on the first day of the year after the conveyance from the developer, Four Star Associates, to Owner. Owner shall pay at settlement the then current year assessment settlement for each dwelling unit. The Board of Directors shall fix the amount of the annual assessment against each lot during the first quarter of each year. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, on demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

12.09 Effect of Non-Payment. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate per annum as permissible by FHA, VA or FHMA as appropriate. In the event no such rate is applicable, the rate of interest shall be eighteen percent (18%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot. To further secure this obligation, the owner of each lot, by the execution of an affidavit acknowledging receipt of a copy of these by-laws, hereby irrevocably authorizes the Prothonotary or any attorney of any court of record to appear for them at any time and confess judgment, without proceeds in favor of the Association for such amount as may appear to be unpaid thereon, whether due or not together with costs and attorney's fees in the amount of five percent (5%) but not less than and to waive and release all errors which may intervene in any such proceedings and to consent to immediate execution upon such judgment, hereby ratifying and confirming all that their said attorney may do by virtue hereof.

12.10 Subordination of Lien to Mortgage. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any judicial proceeding in lieu thereof on any first mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

12.11 Limitation of Association Maintenance Responsibilities. The provisions of Paragraph 12.02 notwithstanding, the maintenance responsibilities of the Association are limited as follows:

a. Maintenance of Exterior Surfaces; Painting. In no event shall the Association be responsible for the maintenance, repair or replacement of exterior building surfaces, with the exception of painting as set forth in Section 12.02(c). Each individual owner shall be required to repair, replace and prepare all exterior surfaces for painting upon request by the Board of

Directors, pursuant to regulations promulgated by the Board of Directors. In the event that the owner does not prepare his or her exterior surfaces by the deadline set by the Homeowners Association, said owner then shall be solely and individually responsible for the preparation and painting of the exterior surfaces of the property in accordance with the plans prepared by the Board of Directors.

b. Individual owners shall be responsible for the maintenance and repair of their respective roofs; the Homeowners Association shall only be required to replace the roof if and when such replacement is necessary. If there is a dispute between the individual owner and the Homeowners Association as to whether the replacement of said individual's roof is necessary, then both parties shall retain their own respective roofers who shall determine among themselves whether the replacement of the roof is necessary. If those two roofers cannot agree, then both roofers shall select a third roofer mutually agreed to by the parties and the cost of which shall be equally borne by the parties, and those three roofers shall make a determination that is binding upon the parties. If the replacement of one or more roofs in a building is necessary, than all the roofs within that building shall be replaced.

c. Following the replacement of the roof of an individual unit, during the one year warranty period on the roof, the Association shall, if required, assist the homeowner in obtaining warranty service on the roof. Said assistance shall be limited solely to contacting and scheduling review and repair with the roofing contractor. In no event shall this provision be interpreted to mean that the Association is directly or indirectly providing warranty service on the roof.

d. If at any time a homeowner initiates a declaratory judgment action in any court seeking to have the duties or responsibilities of the Homeowner's Association to be determined, then said homeowner shall be responsible for attorney's fees and costs incurred by the Association.

e. In the event the homeowner does not correct any exterior maintenance deemed to be his/her responsibility under the by-laws and deed restrictions the Board of Directors, after giving the homeowner a reasonable deadline, shall contract to have this maintenance and/or repairs corrected at the homeowners expense.

ARTICLE XIII - AMENDMENTS

13.01 Meetings. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

13.02 Conflicts. In the case of any conflicts between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control.

ARTICLE XIV - MISCELLANEOUS

14.01 The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

ARTICLE XV - MISCELLANEOUS APPROVALS

15.01 It is intended that these By-Laws and the formation and operation of the Association as set forth herein shall comply with all requirements of the Federal Housing Administration (FHA), the Veterans' Administration (VA), and the Federal National Mortgage Association (FNMA). In the event it is necessary to modify or alter any By-Law set forth herein or with respect to the addition of properties, said amendment shall be made by the Board of

Directors and each member shall have been deemed to have agreed to said amendment. Said amendment need not be made pursuant to the terms of Article XIII herein, but such action should be ratified at the next annual meeting of members.

SCHEDULE A

311 North Donnerville Road
315 North Donnerville Road
319 Donnerville Road
321 North Donnerville Road
325 Donnerville Road
329 Donnerville Road
331 North Donnerville Road
335 North Donnerville Road
339 North Donnerville Road
341 North Donnerville Road
349 North Donnerville Road
3200 Glengreen Drive
3201 Glengreen Drive
3202 Glengreen Drive
3204 Glengreen Drive
3205 Glengreen Drive
3210 Glengreen Drive
3211 Glengreen Drive
3214 Glengreen Drive
3215 Glengreen Drive
3218 Glengreen Drive
3220 Oakglen Court
3222 Glengreen Drive
3223 Pinewyn Circle
3224 Glengreen Drive
3226 Glengreen Drive
3228 Glengreen Drive
3230 Glengreen Drive
3232 Glengreen Drive
3234 Glengreen Drive
3235 Glengreen Drive
3237 Glengreen Drive
3239 Glengreen Drive
3241 Glengreen Drive
3245 Glengreen Drive
3247 Glengreen Drive
3251 Glengreen Drive
3253 Glengreen Drive
3255 Glengreen Drive
3263 Glengreen Drive
3265 Glengreen Drive
3269 Glengreen Drive
3210 Pinewyn Circle
3211 Pinewyn Circle
3212 Pinewyn Circle
3213 Pinewyn Circle
3215 Pinewyn Circle
3216 Pinewyn Circle
3217 Pinewyn Circle
3221 Pinewyn Circle
3222 Oakglen Court
3224 Oakglen Court

3226 Oakglen Court
3230 Oakglen Court
3234 Oakglen Court
3238 Oakglen Court
3245 Oakglen Court
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3227 Pinewyn Circle
3228 Pinewyn Circle