

**BYLAWS
OF THE
ASHCOMBE FARMS/DOVER HOMEOWNERS ASSOCIATION**

THESE BYLAWS, made this 1st day of January, 2006, by the undersigned persons constituting all of the members of the Executive Board of the Ashcombe Farms/Dover Homeowners' Association ("Association"), a Planned Community under the laws of the Commonwealth of Pennsylvania, as representatives of the entire Planned Community.

**Article I
PURPOSE OF BYLAWS**

§1. These Bylaws supersede, replace and amend all existing Bylaws and Declarations of the Association, including, but not limited to, The Bylaws Ashcombe Farms/Dover Homeowners' Association Dover Township, York County, Pennsylvania, dated June 3, 1999 ("Previous Bylaws") and the Declaration For Ashcombe Farms, A Planned Community a Flexible Residential Planned Community dated June 3, 1999 ("Declaration"). These Bylaws have been adopted to supersede, replace and amend all existing Bylaws and Declarations of the Association, including, but not limited to, The Previous Bylaws and the Declaration, by a verified vote of at least sixty-seven percent of lot owners (one vote per lot) in accordance with Article X, Section 1 of the Previous Bylaws. Verified by the attached affidavit.

§2. Purpose of these Bylaws is to prevent confusion and eliminate inconsistencies and conflicts between the Previous Bylaws and Declaration.

Article II

§1. The purpose of the definitions is to prevent confusion and explain the intent of the terms – Bylaw, Regulation and Rule.

(a). Bylaw- An ordinance or law adopted by the Association for its internal governance. Bylaws define the rights, powers and obligations of

various officers, board members, and members of the Community within the Association structure; Provides ordinances or laws for voting, calling meetings, assessments, committees, insurance and the like; Bylaws are similar to articles in a constitution that deal with the structure and powers in the Association.

(b). Regulation- An order, having the force of law, prescribed and adopted for the management or governance of the Community; a principal for the health, welfare, aesthetics, benefit (economic or otherwise) and safety of the Community, as determined by the Association members, in their sole discretion; An order governing what Lot Owners can and cannot do in regards to their lot/property; An example of a Regulation would be “Lot Owners shall not plant Birch trees in front of their dwelling” or “Lot Owners shall only place their trash at the curb of their lot no earlier than 5PM the night before pickup.”

(c). Rule – An established standard or guide adopted by the Executive Board for the purpose of guiding the conduct or action of the Executive Board and for managing the affairs of the Association; This shall include but not be limited to, hiring workers, purchasing supplies, filing law suits, contacting agencies, assessing penalties and fees for late payments and noncompliance of Regulations ; A principal established by the Executive Board prescribing or directing action or forbearance; Examples include the following: the Executive Board passes a Rule to “Establish a committee to look into purchasing a truck and snowplow for the community and upon their findings determine to purchase a truck and snow plow instead of outsourcing snow removal” or “There is a \$15 dollar late fee for assessments not paid within 30 days of the due date” or “the Executive Board determines that the HOA should have a website for information distribution and that HOA general and special meeting minutes should be posted on the website.”

Article III

PLAN OF OWNERSHIP

§1. Submission. The Project, known as "Ashcombe Farms, a Planned Community," a flexible residential planned community ("Planned Community"), located in Dover Township, York County, Pennsylvania was submitted under the provisions of the Uniform Planned Community Act, 68 Pa. C.S.A. §§5101 et seq. ("Act") by the Declaration and shall be governed by these Bylaws and the Act.

§2. Applicability. The provisions of these Bylaws are applicable to the Planned Community and all improvements and structures theretofore or hereafter

constructed, including the Lots, and Common Elements, as well as all easements, rights or appurtenances, thereto belonging and the use, occupancy, sale and all other transfers. All Lot Owners, all occupants or users of the Lots, to include any improvement erected thereon, and the agents and servants of any of them are subject to the provisions of the Plats and Plans, Bylaws, Regulations and Rules as may be issued, from time to the time, by the Executive Board governing the details of the use and operation of the Planned Community and all applicable laws of the Commonwealth of Pennsylvania.

§3. Personal Application. All present and future Lot Owners, tenants, future tenants, their guests, licensees, servants, agents, employees, and all other person or persons that shall be permitted to use the facilities of the Planned Community, shall be subject to these Bylaws, Regulations and to the Rules as may be issued by the Executive Board. Acquisition, rental or occupancy of any Lot (to include any improvement constructed thereon) in the Planned Community shall constitute an acknowledgment that said Lot Owner or occupant has accepted and ratified these Bylaws, Regulations and Rules of the Executive Board, and the Lot Owner or occupant shall comply with these Bylaws, Regulations and Rules of the Executive Board.

§4. Lot Boundaries/Identifying Number/Number of Lots. Each building Lot shall contain all space, fixtures and improvements within the boundaries of the Lot and are part of the Lot. Each Lot within the Planned Community, shall have an Identifying Number for each Lot. With respect to the total number of Lots within the Planned Community, Relocation of the boundaries between Lots (subdivision or resubdivision) shall not be permitted.

§5. There are no Limited Common Elements within the Planned Community.

§6. The Common Elements and Additional Easements are identified on the Plats and Plans and copies are maintained by the Executive Board.

Article IV

HOMEOWNERS' ASSOCIATION

§1. Association. Ashcombe Farms/Dover Homeowners' Association which is a domestic non-profit corporation, was constituted by and shall be comprised at all times exclusively of the Declarant under the Declaration and the Lot Owners, their heirs, successors and assigns.

§2. Powers of the Association. The Association shall have the specific powers granted in Section 5302 of the Act.

§3. Voting and Proxies.

(a). Multiple Owners of Lots. If only one of the multiple Owners of a Lot is present at a meeting of the Association, he or she is entitled to

cast the vote allocated to that Lot. If more than one of the multiple Owners are present for said Lot, the vote allocated to the Lot may be cast only in accordance with their unanimous agreement. If the vote for said Lot is not unanimous the vote will not be counted. There is unanimous agreement if any one of the multiple owners cast the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by any other Owner of said Lot.

(b). Proxies. The vote allocated to a Lot may be cast pursuant to a written proxy duly executed by the Lot Owner. If the Lot is owned by more than one person, each Owner of the Lot may vote or register protest to casting the vote by the other Owner or Owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over the meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one (1) year after its date unless it specifies a shorter term.

(c). Cumulative and Class Voting. There shall be no cumulative or class voting permitted.

(d). Lots Owned by Association. No vote allocated to a Lot owned by the Association may be cast.

§4. Principal Office. The principal office of the Association shall be located, at the address of the current sitting President, but thereafter maybe located at such other suitable and convenient place or places as shall be permitted by law and designated by the Executive Board.

§5. Meetings

(a). Annual Meeting. An annual meeting of the Association shall be held each year during the last three (3) months of the calendar year. The meeting shall be held at a time and place designated by the Executive Board. Any officer of the Executive Board shall cause written notice to be hand-delivered or sent postage prepaid by United States mail, of the annual meeting to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner. Said notice shall not be fewer than ten (10) days or greater than sixty (60) days in advance of the annual meeting. The notice of any annual meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendments to the Declaration or Bylaws, if any.

(b). Special Meetings. A special meeting of the Association for any purpose or purposes, unless otherwise prescribed by statute, may be called by any officer of the Executive Board and shall be called by any officer of the Executive Board if so directed by resolution of the Executive Board or upon petition signed by forty (40%) percent of the votes of the

Lot Owners and presented to the Secretary. Such petition shall state the purpose or purposes of the proposed special meeting. No business shall be transacted at the special meeting except as stated in the notice. Notice of the special meeting, to include the content of the meeting, shall be the same as required for an annual meeting.

§6. Quorum. A quorum of the Association shall be deemed present throughout any meeting or the Association if persons entitled to cast thirty (30%) percent of the votes which may be cast for election of the Executive Board are present in person or by proxy at the beginning of the meeting.

§7. Association Action. The Association shall act upon any: Regulation proposal or agenda item set forth in the Notice sent to the Lot Owners for the Annual or Special Meeting; Budget; election of members to the Executive Board; or adopting or removing a Regulation; shall require the approval of fifty (50%) percent of the votes entitled to be cast by Lot Owners present in person or by proxy at a meeting of this Association at which a quorum was present at the beginning of the meeting.

§8. Order of Business. The order of the agenda at the annual meeting of the Association shall, be as follows:

1. Call of the roll and certification of proxies.
2. Proof of notice of meeting and waiver of notice.
3. Reading and approval of any unapproved minutes.
4. Receiving reports of officers.
5. Receiving reports of committees, if any.
6. Election of inspector of election, if necessary.
7. Election of Executive Board members, if necessary.
8. Old Business
9. New Business
10. Adjournment

At all meetings of the Association, The Modern Rules of Order, by Donald A. Tortorice, shall be followed.

§9. Voting Strength. With respect to the affairs of the Planned Community/ Association, including the election of the Executive Board members, each Lot shall have one (1) vote.

Article V
EXECUTIVE BOARD

§1. Number of Members. The affairs of the Planned Community and Association shall be governed by the Executive Board, which shall be comprised of five (5) members.

§2. Election and Term of Office. The initial Executive Board shall be elected for staggered terms. Two (2) members shall be elected for three (3) year terms, two (2) members shall be elected for two (2) year terms and one (1) member shall be elected for a one (1) year term. After the initial election, all terms shall be for three (3) years. All members elected to the Executive Board shall serve until his or her successor is duly elected or until his or her death, removal or resignation. An Executive Board member may serve an unlimited number of terms.

§3. Compensation. No member of the Executive Board, with the exception of the Secretary and Treasurer, shall receive compensation for services as a member of the Executive Board, except as provided in Article VI, Section 5 hereof. Executive Board members shall be reimbursed for any reasonable expenses they forward on behalf of the Association with valid receipt.

§4. Resignation and Removal. Any member of the Executive Board may resign from the Executive Board at any time by written notice to the Executive Board. Any member may be removed from the Executive Board with or without cause by the affirmative vote of the members of the Association entitled to cast at least seventy-five (75%) percent of the votes all members of the Association at the annual meeting or special meeting of the Association duly called and held for such purpose. If a member of the Executive Board who is also a Lot Owner shall cease being a Lot Owner, such member shall be removed from the Executive Board.

§5. Filling Vacancies. Any vacancy or vacancies on the Executive Board caused by death, resignation, removal from office or otherwise, may be filled by the remaining members of the Executive Board at a regular meeting or a special meeting duly called for that purpose, the successor to serve the balance of the term so filled.

§6. Annual Meeting. The Executive Board shall hold an executive annual meeting within ten (10) days following the annual meeting of the Association for the purpose of electing officers of the Executive Board and for any other purpose which may be required or permitted by law or these Bylaws. The executive annual meeting shall be a regular meeting.

§7. Regular Meeting. The Executive Board may hold regular meetings at such time and place as shall be designated by a majority of the Executive Board. Such meetings shall be held at least once every three (3) months and there shall be a meeting of the Executive Board at least thirty (30) days prior

to the annual meeting of the Association at which meeting of the Executive Board the budget for the Association shall be adopted for the forth coming year, subject to approval by vote of a majority of the Lot Owners present or by proxy at the Annual Meeting.

§ 8. Special Meeting. Special meetings of the Executive Board may be called by the President or may be called upon by the same written request of any two (2) members of the Executive Board (The same written request must be signed by all requesting members). The President shall call the Special Meetings, by written notice, not less than five (5) days nor more than ten (10) days after receipt of such request and shall designate the time and place of said meeting. No business shall be transacted at the meeting other than as specified in the notice thereof.

§9. Emergency Meeting. The President, or if the President is incapacitated, the Vice President, may call an Emergency Meeting without notice for the purpose of expending funds for emergencies or disasters, or for coordinating community activities and work to repair the community prior to, during or after an emergency or disaster. A quorum of the Executive Board must be present at the Emergency Meeting and history, minutes, accounting and/or receipts shall be compiled by the Secretary and Treasurer after 30 days have passed from the end of the emergency or disaster. Emergency and Disasters, include but are not limited to, Tornadoes, Wind Storms, Blizzards, Floods, Fires, Sink Holes, Earthquakes, Hurricanes, War, Terrorist Acts, Nuclear, Biological or Chemical Event, or other Acts of God. If no quorum is possible because of incapacity of Board Members due to the Emergency or Disaster, the President may act unilaterally, or the next highest ranked officer may act unilaterally if the President is incapacitated.

§10. Notices. Written notice of the meetings of the Executive Board shall be given to each member of the Executive Board at least five (5) days but not more than ten (10) days prior to each regular meeting or adjournment, and at least three (3) days but not more than seven (7) days prior to each special meeting. No written requirement is needed for an Emergency Meeting.

§11. Waiver of Notice. Before or after any meeting of the Executive Board, whether regular or special, any member may, in writing, waive notice of such meeting. Attendance by a member at any meeting of the Executive Board shall likewise constitute a waiver of such notice. If all members are present at any meeting of the Executive Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these Bylaws.

§12. Quorum. A quorum is deemed present throughout any meeting of the Executive Board if one-half (1/2) of the members of the Board are-present at

the beginning of the meeting. If at any meeting of the Executive Board, there are less than a quorum present, the members present may adjourn the meeting and set a new date for the meeting, and at such rescheduled meeting at which a quorum is present, any business that might have been transacted at the cancelled meeting may be transacted without further notice to any member.

§13. Voting. At all Emergency, Regular or Special Meetings of the Executive Board, each member shall be entitled to cast one (1) vote and a majority vote of the Executive Board at any meeting at which a quorum is present shall bind the Executive Board, Association and Planned Community, except as otherwise provided herein. Passage of a Rule requires a majority vote of the present Board members at any meeting at which a quorum is present.

§14. Action by Consent. If all members of the Executive Board shall consent in writing to any action to be taken by the Executive Board, such action shall be as valid an action of the Executive Board as though it has been authorized at a meeting of the Executive Board.

§15. Report of the Executive Board. The Executive Board shall present at each annual meeting of the Association, and when called for by a vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Planned Community.

§16. Fidelity Bonds. The Executive Board may require all officers, agents and employees, if any, of the Association handling or responsible for funds to furnish adequate fidelity bonds. The premium on such bonds is deemed to be a Common Expense and shall be paid by the Association. In addition the Association shall purchase Director and Officer Insurance that covers all Board Members.

Article VI

OFFICERS OF THE ASSOCIATION

§1. Principal Officers. The principal officers of the Association shall be President, Vice President, Secretary and Treasurer. The President and Vice President shall be members of the Executive Board, but the Secretary and Treasurer need not be members of the Executive Board. An officer may succeed himself or herself without limitation and an officer except the President may hold more than one office simultaneously.

§2. Election and Term. The principal officers of the Association shall be elected annually by the Executive Board at its annual meeting and they shall hold office for a term of one (1) year and until their respective successors are elected. The Executive Board may appoint such other officers as it deems necessary who shall serve at the pleasure of the Executive Board.

§3. Resignation, Removal and Vacancies. Any officer may be removed with or without cause at any regular meeting of the Executive Board, or at any special meeting called for that purpose, upon the affirmative vote for removal of the officer by all of the other members of the Executive Board. Any officer may resign at any time by written notice to the Executive Board, such resignation to become effective at the next Executive Board meeting. Any Executive Board member who resigns or who is removed from the Executive Board shall also be deemed to have resigned or have been removed from any office he or she may have held. If any office becomes vacant for any reason, the vacancy shall be filled by the Executive Board, the successor to serve the balance of the term so filled.

§4. Duties of Officers.

(a). President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Executive Board. He or she shall have general and active management of the business of the Association and Planned Community and shall see that all order, regulations and resolutions of the Executive Board are carried into effect. He or she shall have the power to execute and deliver deeds, contract and other instruments in the name of and on behalf of the Association, except as when such documents are required and permitted by law to be otherwise executed and except when the execution thereof shall be delegated by the Executive Board to another officer or agent of the Association. In an Emergency or Disaster the President shall have plenary powers to conduct any and all necessary and proper business for the Association and Planned Community.

(b). Vice President: The Vice President shall have all powers the President of the Association has if the President is incapacitated. The Vice President may be assigned additional duties by a vote of a majority of the Executive Board. The Vice President may additionally be the Chairperson of any Committee established by the Executive Board.

(c). Secretary. The Secretary shall attend all sessions of the Executive Board and all meetings of the Association and record or cause to be recorded all votes and the minutes of all proceedings in a book to be kept by him or her for that purpose and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the Association, the Executive Board and committees and shall perform such other duties as may be prescribed by the Executive Board. The Secretary shall compile and keep up-to-date at the principal office of the Association, a complete list of Lot Owners and their last known post office address. This list shall be opened to inspection to all Lot Owners and other persons lawfully entitled to inspect the same at reasonable business hours. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing minutes of all the annual and special meetings of the Association

and all meetings of the Executive Board including resolutions. If the Secretary is a member of the Executive Board, in the absence or the disability of the President and Vice President, the Secretary shall perform the duties and exercise the power of the President and shall perform such other duties as the Executive Board may prescribe. If neither the President, Vice President nor the Secretary is able to act, the Executive Board shall appoint a member of the Executive Board to do so on an interim basis. The Secretary shall be responsible for sending out all non compliance notices to Lot Owners and track and report if and when the Lot Owner complies with the Bylaws and regulations of the Association and Planned Community. The Secretary may be compensated for his or her services on an hourly or quarterly basis. Compensation shall be determined by Article VI, Section 5 below.

(d). Treasurer. The Treasurer shall have custody of all funds and securities. The Treasurer shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements and books belonging to the Association and to deposit all monies, checks and other valuable effects of the Association in the name and to the credit of the Association in such depositories as may from time to time be designated by the Executive Board. The Treasurer shall disburse the funds of the Association as may from time to time be ordered by the Executive Board or by the President, making proper vouchers for such disbursements, and shall render to the President and the Executive Board at the regular meetings of the Executive Board or whenever they or either of them shall require, an account of this transaction as Treasurer and of the financial condition of the Association. If required by the Executive Board, he or she shall give a fidelity bond, the premium paid as a Common Expense, in such sum and with such surety or sureties as shall be satisfactory to the Executive Board for the faithful performance of the duties of this office and for the restoration, in case of his or her death, resignation, retirement or removal from office, all books, papers, vouchers/ money and other property of whatever kind in his or her possession or under his or her control. The Treasurer shall be responsible to have prepared and filed all necessary tax returns. The Treasurer may be compensated for his or her services. Compensation shall be determined by Article VI, Section 5 below.

(e). Other Offices. Any other officer designated by the Executive Board shall have such duties as may be determined by the Executive Board.

§5. Compensation. The officers, with the exception of Secretary, shall receive no compensation unless such compensation is approved by seventy-five (75%) percent vote of the members of the Association present or present by proxy and voting at an annual or special meeting. Officers shall be entitled to be reimbursed for all expenses reasonably incurred in the discharge of their duties. Any such compensation or reimbursement of expenses shall be a Common Expense. The Secretary shall receive no compensation unless such

compensation is approved by a simple majority of the members of the Association present or present by proxy and voting at an annual meeting.

§6. Liability of Executive Board and Officers. Members of the Executive Board and Officers of the Association:

(a). Shall not be liable to the Lot Owners as a result of their activities as a Board Member or as an Officer or for any mistakes of judgment, negligent or otherwise, in law or equity, except for willful misconduct or gross negligence;

(b). Shall have no personal liability of any and all kinds, by contract theory to the Lot Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as a Board Member or as an Officer;

(c). Shall have no personal liability in tort of any and all kinds to a Lot Owner or any other person or entity directly or imputed, by virtue of acts performed by them or for them, in their capacity as such a Board Member or as an Officer;

(d). Shall have no personal liability arising out of the use, misuse or condition of the Property by any Lot Owner or any other person or entity, or for any and all liability which might in any way be assessed against or imputed against them as a result or by virtue of their capacity as a Board Member or as an Officer.

§7. Indemnification of the Executive Board and Officers. The Association shall indemnify and hold harmless every Executive Board member and Officer of the Association, his or her heirs, agents and personal representatives, from any and all personal liability and all expenses including counsel fees incurred or imposed, arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to which he or she may be or be threatened to be made a party, by reason of his or her being or having been an Executive Board Member or

Officer of the Association, except to the extent that such liability or expense shall be attributable to his or her gross negligence or willful misconduct. In the event of a settlement, such indemnification shall be provided only if the Executive Board shall have approved such settlement. Such right of indemnification shall not be exclusive to other rights to which such Executive Board Member or Officer may be entitled. All indemnification paid by the Association and any cost or expenses incurred by the Executive Board or the Association in connection herewith shall be deemed to be a Common Expense. The Association shall not be obligated to indemnify any Lot Owner who is or has been a Member of the Executive Board or Officer of the Association with respect to any duty or liability obligation assumed or incurred by the sole

virtue of his or her Lot Ownership.

Article VII
POWERS AND DUTIES OF EXECUTIVE BOARD

§ 1. Powers and Duties. The Executive Board shall have and shall execute all lawful powers and duties necessary and proper for the administration of the affairs of the Association and Planned Community, and may do and take all such actions or measures except as prohibited by law or these Bylaws. Such powers and duties of the Executive Board shall include, but shall not be limited to the following:

(a). To provide for the acquisition, construction, management, operation, care, upkeep, maintenance, improvement, renovation and replacement of Common Elements, except to the extent specifically imposed upon the individual Lot Owners.

(b). Determination and payment of the Common Expenses of the Planned Community. The Executive Board shall have the right to make final determination of any claim or dispute by or with Lot Owner(s) as to whether any charge or expense applies against the Lot Owner(s) rather than the Common Expenses and such determination shall be final, conclusive and binding.

(c). Establishment, maintenance and collection and disbursement from assessments and Common Charges received from the Lot Owners, including, without limitation, amount for working capital to meet operating expenses, a general operating reserve, a Reserve Fund for capital improvements and replacements and such special assessments as may become necessary to make upon any deficit in the Common Charges or assessments for any prior year. The Executive Board may designate and compensate an agent or independent contractor for the purpose of collecting Common Charges and assessments and for the purpose of making disbursement there from on behalf of the Executive Board.

(d). Employment and dismissal of personnel necessary for the maintenance and operation of the Common Elements and the Planned Community.

(e). Opening of bank accounts on behalf of the Planned Community and designating the signatories required therefore.

(f). Purchasing of Lots at foreclosure or other judicial sales in the name of the Executive Board or its designee, corporate or otherwise, on behalf of all Lot Owners, and accomplishing any and all actions necessary or incidental thereto.

(g). Selling, leasing mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with the Lot(s) acquired by, and subleasing Lot(s) leased by, the Executive Board or its designee or on behalf of all Lot Owners.

(h). Making all repairs, additions and improvements to or alterations or restorations to the Planned Community or to the Property in accordance with the provisions of these Bylaws, including those necessitated by damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(i). The Executive Board shall have the power to enforce obligations against or for the Lot Owners, to allocate profits and expenses, and to do anything and everything else necessary and proper for the sound management of the Planned Community, including but not limited to, the right to place fines for non compliance against Lot Owners, bring lawsuits and recover attorney fees, costs and fines to enforce the Bylaws and regulations promulgated by the Executive Board, to place liens and enforce any money judgments awarded.

(j). The Executive Board shall have the power to appoint the members of the Townhouse Advisory Committee as described in Article IX.

(k). The Executive Board may, subject to the approval of seventy-five (75%) percent of the Lot Owners, employ a managing agent or manager for the Planned Community at a compensation to be established by the Executive Board, to perform such duties and services as the Executive Board shall authorize. The Executive Board may also employ any other employee or independent contractors to perform duties and services necessary to the operation and maintenance of the Planned Community.

(l). The Executive Board shall establish Rules for the use of the Common Elements/Areas.

(m). The Executive Board shall have the power and duty to obtain and maintain insurance relating to the Association and Planned Community, including, but not limited to director and officers' liability coverage.

(n). The Executive Board shall have the power and authority to do all acts and any and all things as are necessary or incidental to the implementation, enforcement, or furtherance of the terms and provisions of the Act, Bylaws, Regulations and Rules.

Article VIII
COMMON CHARGES, SPECIAL ASSESSMENTS AND RESERVES

§1. Common Charges.

(a). Each Lot Owner shall pay to the Executive Board an annual sum, herein referred to as "Common Charges", equal to the Lot Owner's proportionate share of the sum required or established by the Executive Board to meet the annual Common Expenses and, if imposed by the Executive Board, to establish an operating reserve or any Reserve Fund.

(b). The Executive Board shall determine the amount of Common Charges annually, but may do so more frequently should circumstances so require. Common Charge assessments shall be made at least annually and shall be based on a budget adopted at least annually by the Lot Owners in accordance with Article IV, §7.

(c). Written notice of Common Charges shall be sent to each Lot Owner. No Lot Owner may be exempted from liability for Common Charges by waiver of the use or enjoyment of any of the Common Elements.

§2. Special Assessments. In addition to the Common Charges authorized above, the Executive Board may levy in any calendar year one (1) or more Special Assessments, applicable to that calendar year only and for the purpose of deferring, in whole or in part, the cost of any construction, reconstruction, improvement, unexpected repair or maintenance of any Common Element and for such other purposes as the Executive Board may consider necessary or appropriate.

§3. Reserve Fund. The Executive Board shall establish and maintain a Reserve Fund for the repair, restoration or replacement of Common Elements by allocation of any portion of the Common Charges designated from time to time by the Executive Board, which shall not exceed twenty (20%) percent of the aggregate Common Charges in any calendar year. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Executive Board, be invested in obligations of, or obligations fully guaranteed as to principal by the United States of America. The reserve may be expended only for the purpose of effecting the repair, restoration or replacement of the Common Elements or for contingencies of a non-recurring nature. The amount allocated to the Reserve Fund may be reduced, by appropriate resolution of the Executive Board, when in the discretion of the Executive Board, it is appropriate to do so. The proportionate interest of any Lot Owners in the Reserve Fund shall be considered

appurtenant to the Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with the Lot.

§4. Nonpayment of Common Charges or Special Assessments.

(a). Any Common Charges or Special Assessments levied pursuant to the Declaration or these Bylaws or any installment thereof, which is not paid on the date when due, shall be delinquent and shall, together with interest thereon, and the cost of collection thereof, as hereinafter provided, shall become an Association lien against the Lot belonging to the Owner against whom such Common Charges or Special Assessment is levied. The Association lien may be foreclosed in a like manner as a mortgage on real estate. If a Special Assessment is payable in installments, the full amount of the Special Assessment becomes effective as a lien from the time the first installment thereof becomes due.

(b). Any Common Charges or Special Assessments levied pursuant to these Bylaws, or any installment thereof, which is not paid within ten (10) days after it is due shall bear interest from the date due at a rate fixed by the Executive Board not to exceed fifteen (15%) percent per annum. If any Owner shall be in default in the payment of Common Charges or Special Assessments, the Executive Board may accelerate the remaining installments upon written notice to the Owner, and the then unpaid balance of the Common Charges or Special Assessment for the current year shall come due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or ten (10) days after mailing of such notice to the Owner by registered or certified mail, whichever shall first occur. All costs and Attorney fees expended to pursue the collection of delinquent Common Charges or Special Assessments shall be paid in addition to the Common Charge or Special Assessment by the Lot Owner debtor.

§5. Surplus Funds. Any surplus funds of the Association remaining after payment of Common Expenses and payment of reserves shall be credited to Lot Owners to reduce their future Common Charges.

§6. Reallocation. If Common Expense liabilities are reallocated, Common Charges and any installment not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

§7. Statement of Unpaid Assessments. The Association shall furnish to a Lot Owner, upon written request, a recordable statement setting forth the amount of unpaid assessments currently levied against his, her or their Lot. This statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Lot Owner.

§8. Lien for Assessments. The Association has a lien on a Lot for any assessment levied against the Lot or fines imposed against the Lot Owner from the time the assessment or fine becomes due. The Association's lien may be foreclosed in a like manner as a mortgage on Real Estate. A judicial or other sale of the Lot and execution of a Common Element lien or any other lien shall not affect the lien of a Permitted Mortgage on the Lot, except the Permitted Mortgage for which the sale is being held, if the Permitted Mortgage is prior to all liens upon the same Lot except those liens identified in 42 Pa.C.S.A. §8152(a) and liens for assessments imposed by the Association pursuant to this Section 8 and in accordance with Section 5315(a) of the Act. A lien pursuant to this Section 8 and Section 5315 of the Act shall have the priority set forth in Section 5315(b) of the Act and is subject to the sections set forth in Section 5315(b) of the Act.

§9. Notice and Perfection of Liens. Subject to the priority of liens set forth in Section 5315(b) of the Act, recording of this Declaration constitutes record notice and perfection of a lien on a Lot for any assessment levied against that Lot or fines imposed against the Lot Owner.

§10 Costs and Attorneys Fees. A judgment or decree in any action or suit brought under Section 5315 of the Act shall include costs and reasonable attorney's fees for the prevailing party.

§11. Failure to Maintain Common Facilities/Controlled Facilities. If Association shall fail to maintain, repair or reconstruct the Common Facilities, Controlled Facilities or drainage facilities under control of and responsibility of Association in accordance with the Final Subdivision Plan/Phase I or Township regulations after written notice to do so by Township and said deficiency remains uncured for a period of thirty (30) calendar-days, then Township, its agents or contractors, shall have the right to enter onto the Planned Community and perform the necessary maintenance, repairs or reconstruction at the expense of Declarant, Association or Lot Owners, provided, however, that with respect to Lot Owners the provisions of Section 12 below shall be applicable.

§12. Cost of Maintenance/Township/Common Facilities and Controlled Facilities. If Township is required to maintain, repair or reconstruct any Common Facility or any Controlled Facility, Township shall have the rights and remedies under the Municipal Claim Act, 53 P.S. §7101 et. seq. If the Township shall impose a lien against the Association for any such required maintenance, repair or reconstruction of any Common Facility or any Controlled Facility, each Lot Owner shall have the right to pay the amount of the lien attributable to his, her or their Lot and the Township shall, upon receipt of payment, deliver a release of the lien covering that Lot. The amount of the payment shall be proportionate to the ratio which the Lot Owner's Common Expense Liability bears to the Common Expense Liability of all Lot Owners whose Lots are subject to the lien. After payment, the Association may not assess or have a lien against the Lot Owner's Lot for any portion of the Common Expense

incurred in connection with that lien.

§13 Final Subdivision Plan/Phase I. In addition to the rights reserved to Township, Final Subdivision Plan/Phase I (Sheet 1 of 12), Township has reserved additional rights with respect to the drainage facilities (either Controlled Facilities or Common Facilities). Specifically, Township has reserved the right to (i) inspect the facilities at any time; (ii) require Declarant or Association (as appropriate) to take corrective actions and to assign reasonable time periods for any necessary action; and (iii) authorize the maintenance to be done by the Township or an agent or contractor of the Township and liening the cost of the work against each Lot and the Lot Owner or Owners of said Lot within the Planned Community in accordance with the provisions of Section 12 above. In addition, the rights of Township, as set forth herein, is required to be set forth in each deed conveying any Lot containing a storm water management facility (to include drainage easement).

§14 Reports and Notices. Upon the specific written request of a Permitted Mortgagee or its servicer to the Executive Board, the Permitted Mortgagee shall be entitled to receive some or all of the following as designated in the request:

(a). Copies of budgets, notice of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Lot Owner covered by the Permitted Mortgagee;

(b). Any audited or unaudited financial statements of the Executive Board which were prepared for the Executive Board and submitted to the Lot Owners;

(c). Copies of notice of meetings of the Lot Owners and the right to be present at any such meetings by a designated representative;

(d). Notice of the decision of the Lot Owners to make any material amendment to this Declaration;

(e). Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(f). Notice of the default of the Lot Owner of the Lot which is the subject of the Permitted Mortgagee, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Lot Owner of the existence of the default;

(g). The right to examine the books and records of the Executive Board at any reasonable time;

(h). Notice of any decision by the Executive Board to hire professional management for the Planned Community.

The request of a Permitted Mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board shall not be required to inquire into the validity of any request made by

a Permitted Mortgagee hereunder and in the event of multiple requests pertaining to the same Lot, the Executive Board shall honor the most recent request received. The Permitted Mortgagee or its servicer shall pay any and all preparation and copy costs.

Article IX
TOWNHOUSE ADVISORY COMMITTEE

§1. Composition. The Townhouse Advisory Committee shall consist of not fewer than three (3) members and not more than seven (7) members. Each member of the Townhouse Advisory Committee shall be a Lot Owner who owns (either individually or jointly) a single family attached dwelling (townhouse; not a single family semi-detached dwelling). The members of the Townhouse Advisory Committee shall be appointed by the Executive Board.

§2. Term. The Executive Board shall appoint each member of the Townhouse Advisory Committee for a term of one (1) year. The Executive Board may reappoint such member from time to time.

§3. Resignation, Removal, Vacancies. Any member of the Townhouse Advisory Committee may be removed with or without cause at any regular meeting of the Executive Board upon the affirmative vote of the members of the Executive Board. Any member may resign at any time by written notice to the Executive Board, such resignation to become effective as of the next Executive Board meeting. If any vacancy shall occur with respect to membership of the Townhouse Advisory Committee, the vacancy shall be filled by the Executive Board and the successor shall serve the balance of the term so filled.

§4. Chairperson/Secretary. The Townhouse Advisory Board shall select a Chairperson and a Secretary. The Chairperson shall preside over all meetings of the Townhouse Advisory Committee. In the chairperson's absence, the secretary shall preside over such meetings. The Secretary shall be responsible to maintain the records of the Townhouse Advisory Committee, including minutes of all meetings of the Committee, and shall be required to submit copies of such minutes to the Executive Board periodically.

§5. Function/Townhouse Advisory Committee. The purpose of the Townhouse Advisor Committee is to provide recommendations to the Executive Board pertaining to lawn care, including periodic mowing and maintenance of landscaped areas, and snow removal and other issues related to the single family attached dwellings within the Planned Community. The Townhouse Advisory Committee shall solicit proposals from qualified Independent Contractors to provide lawn care service and snow removal-services for the single family attached dwellings. The Advisory Committee shall submit a written recommendation to the Executive Board with respect to such proposals. The Executive Board is responsible to accept any such proposals (and enter into any required contracts) and such responsibility shall not be

delegated to the Townhouse Advisory Committee.

§6. Budgetary Recommendations. The Townhouse Advisory Committee shall, submit, in writing, budgetary recommendations to the Executive Board. Such recommendations shall include the annual Common Charges for Lot Owners of single family attached dwellings for consideration by the Executive Committee in connection with the preparation of the annual budget. Such recommendation shall be submitted to the Executive Board at least ninety (90) calendar days prior to the annual meeting of the Association. In addition, the Townhouse Advisory Committee may make recommendations to the Executive Board concerning the allocation of any portion of assessments for Common Expenses to be established and maintained as a reserve fund for the repair, restoration or replacement of Common Elements relating to the single family attached dwelling within the Planned Community.

§7. Limitations. The Townhouse Advisory Committee is not authorized to enter into contracts for and on behalf of the Association or otherwise. The Townhouse Advisory Committee is not authorized to adopt rules and regulations pertaining to single family attached dwellings, within the Planned Community, but is authorized to recommend to the Executive Board any such rule or regulation.

Article X INSURANCE

§1. Insurance to be Carried by Association. The Association shall maintain, to the extent reasonably available, comprehensive general liability insurance, including medical payment insurance, in an amount determined by the Executive Board, but not less than one million dollars, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Facilities.

§2. Other Insurance Carried by Association. If the insurance described in Section 1 is not maintained, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Lot Owners. The Association may carry any other insurance it deems appropriate to protect the Association or the Lot Owners.

§3. Contents of Insurance Policy. Insurance policies carried pursuant to Section 1 hereof must provide that:

(a). The insurer waives its right of subrogation under the policy against any Lot Owner or members of the Lot Owners' household.

(b). No act or omission of any Lot Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or

be a condition to recover under the policy.

(c). If at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same property covered by the policy, the policy of the Association shall be primary insurance and not contributing with the other insurance.

§4. Evidence and Cancellation of Insurance. Any insurer that has issued an insurance policy under this Article shall issue certificate or memoranda of insurance to the Association and, upon request to any Lot Owner, mortgagee or beneficiary under a deed of trust or installment sale agreement. The insurance may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Lot Owner and each mortgagee or beneficiary under a deed of trust or installment sale agreement to whom Certificates of Insurance have been mailed.

§5. Directors and Officers Liability Insurance. To the extent available, the Executive Board may obtain and maintain a comprehensive general liability policy in such limits as the Executive Board may from time to time determine or in such limits as may be available, insuring the Executive Board members and Officers of the Association from claims arising out of or in connection with the management, operating or maintenance of the Planned Community, such policies shall insure the Executive Board members and officers against any mistakes of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.

Article XI USE RESTRICTIONS

§1. Copies of the then current Association Regulations shall be furnished to all Lot Owners and occupants by the Executive Board promptly after the adoption of such Regulations or an amendment thereto.

§2. The Association Initial Regulations are here by attached as Exhibit A and are hereby adopted and approved by a majority vote of all the Lot Owners in the Association and shall be binding as Regulations in accordance with these Bylaws.

Article XII AMENDMENT

§1. Number of Votes Required for Bylaws. Provisions of these Bylaws, but not the Rules and Regulations, shall be amended only by vote of Lot Owners of Lots to which at least sixty-seven (67%) percent of the votes of the Association are allocated. Less than the sixty-seven percent will result in the amendment not being passed. Further, any amendment to these Bylaws adopted by the Lot Owners is subject to the right of veto by the United States

Department of Housing and Urban Development or the Veterans Administration, if the amendment conflicts with their current regulations for Home Owner Associations.

§2. Recording Amendment to Bylaws. Any amendment to the Bylaws must be recorded in the Office of the Recorder of Deeds of York County and shall be indexed in the name of the Planned Community in both the grantor, and grantee index. The amendment shall be effective only upon recording.

§3. Officer Authorized to Execute Amendment to Bylaws. Amendments to the Bylaws required by this Article is to be recorded by the Association's attorney or agent, and shall be prepared, executed, recorded and certified by any Officer of the Association.

Article XIII MISCELLANEOUS

§1. Separate Title and Taxation.

(a). Title. Except as provided in Subsection (b), each Lot, together with the interest, benefits and burdens created by the Declaration including, without limitation, the rights to any Common Facilities, constitute a separate parcel of real estate. The conveyance or encumbrance of a Lot includes the transfer of all the rights, title and interest of the Owner of that Lot in the Common Facilities regardless of whether the instrument affecting the conveyance or encumbrance so states.

(b). Taxation and Assessment. If there is a Lot Owner other than Declarant, each Lot must be separately taxed and assessed. The value of the Lot shall include the value of that Lot's appurtenant interest in the Common Facilities, excluding Convertible Real Estate (if the Additional Real Estate is added to the Planned Community). No separate assessed value shall be attributed to and no separate tax shall be imposed against Common Facilities or Controlled Facilities. Convertible Real Estate (if Additional Real Estate is added to the Planned Community) shall be separately taxed and assessed until the expiration period during which conversion may occur.

§2. Utilities. Each Lot Owner shall pay for his, her or their own telephone, electricity, water, gas, sewer and all the utilities which are separately metered or billed to each user by the respective utility companies. Utilities which are not separately metered or billed to Lots and which are used in connection with the Common Elements, shall be treated as a part of the Common Expense.

§3. Eminent Domain. In the event of a taking of all or part of a Lot or Common

Element, the provisions of Section 5107 of the Act shall govern.

§4. Association Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the provisions of Section 5407 of the Act. All financial and other records shall be made reasonably available for examination by any Lot Owner during business hours and to his or her authorized agents. All work prepared for the Executive Board by the Associations Attorney shall be considered confidential and attorney work product.

§5. Annual Audit. The Association may at its first annual meeting or thereafter direct the Executive Board to submit the books, records and memoranda to an annual audit by a certified public accountant or public accountant who shall audit the same and render a report thereon in writing to the Executive Board and the Association. The cost of said audit shall be a Common Expense.

§6. Termination of Planned Community. Termination of the Planned Community shall be in accordance with the provision of Section 5220 of the Act and by vote of Eighty (80%) of the Lot Owners. One vote per lot.

§7. Conflict. The Bylaws are to subject the Act. All of the terms hereof except where clearly repugnant to the context shall have the same meanings as they are defined in the Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of these Bylaws shall control in all respect except to the Declarant.

§8. Severability. The provisions of these Bylaws shall be deemed independent and several and, the validity or unenforceability of any provision of portion thereof shall not affect the validity or enforceability of any other provision herein.

§10. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been waived by reason of any failure or failures to enforce the same. No act, activity, structure, color or building shall be grandfathered into these Bylaws. Ex Post Facto rules do not apply. The Executive Board has the authority to insist and compel Lot Owners to correct previously ignored Bylaws at Lot Owners expense.

§11. Captions. The captions contained in these Bylaws are for convenience only and are not part of the Bylaws and are not intended in any way to limit or enlarge the terms and provision of the Bylaws.

§12. Gender. Wherever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed, to include all genders.

§13. Effective Date, These Bylaws shall become effective when certified by the Executive Board and adopted by the vote of sixty-seven percent (67%) of the Lot Owners. One vote per Lot.

IN WITNESS WHEREOF, the undersigned members of the Executive Board adopt the within Bylaws the day and year first above written.

EXECUTIVE BOARD

Ronald Rambo, President

Duane P. Stone, Esquire
Attorney for the Ashcombe HOA

Judith Jackson, Secretary

Donald Althoff, Treasurer